



ASSESSMENT ON HUMAN RESOURCE PRACTICES OF
CAR ASSEMBLY ENTERPRISES IN ADDIS ABABA

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ADDIS ABABA, ETHIOPIA**

Statement of Declaration

I, Abel Legesse Yifru hereby declare that this thesis entitled “Assessment on human resource practices in Addis Ababa car assembling enterprises” was composed by myself, with the guidance and support of the my advisor, Alula Tessema (Ph.D), that the work contained herein is my own except where explicitly stated otherwise in the text, and that this work has not been submitted, in whole or in part, for any other degree or professional qualification. It is in partial fulfillment of the requirements for the Degree of Master of Business Administration in Industrial Management.

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Signature

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Endorsement

This thesis has been submitted to Addis Ababa Science & Technology University, College of Natural and Social Science for examination with my approval as university advisor.

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Certificate

This is to certify that, the thesis prepared by Abel Legesse Yifru entitled “Assessment on human resource practices in Addis Ababa car assembly enterprises” and submitted to fulfillment of the requirements for the Degree of Master of Business Administration in Industrial Management complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

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Abstract

The purpose of this research was to assess human resource practices with scope of practice of human resource management functions of talent acquisition, retention and exit management strategies at Addis Ababa car assembly enterprises. The study used a descriptive research design and mixed research approach using quantitative and qualitative data collection using survey questionnaire, a face to face interview, and focus group discussion on document review out of 680 employees sample of 224(30%) of population selected through random sampling techniques. The collected data was analyzed using SPSS version 22.1 data was presented using description (notes) used percentage of statistics and ratios by crafting tables, figures, and interpretations and analysis of data's. Findings of this thesis reveals that the practice of human resource have in all study areas revealing the following major effects including not implementing periodical review of staffs performance, lack of incentive packages in merit bases, lack of labor management relations at union level, and not providing need based training and development. The study therefore, recommends that human resource should be fairly practiced and job descriptions communicated to staffs at the time of employment, enterprise expectations and merit based rewards need to be clearly understood and practiced by the management. The car assembling enterprises have to practice periodical review of HRM functions which bases to evaluate the each employee performance and establish standard of HR planning with continuous assessment of improvements. Best practices should be combined different methods of incentive packages, salary scale should frequently reviewed, and good working environments has to established. The enterprises have to implement employee and labor management agreement at trade union level; as well assign representative to negotiate over such kinds of staffs issues, distribute collective agreements have to all staff members with the necessary list of expected duties and responsibilities towards the achievement of organizational goals. The enterprises have to establish good talent acquisition; retention and exit management's strategies.

Key Words: Human, Human Resource, Human Resource Management, HRM Functions, Organization

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Acronyms

AMCE	: Automotive Manufacturing Company of Ethiopia
ATTS	: Abay Technic & Trading S.C.
BAM	: Belayab Motors PLC
CUV	: Crossover Utility Vehicles
FDI	: Foreign Direct Investment
FIAT	: Fabbrica Italiana Automobili Torino
HDP	: Human Resource Planning
HR	: Human Resource
HRD	: Human Resource Development
HRM	: Human Resource Management
IVECO	: Industrial Vehicles Corporation
PLC	: Private Limited Company
S.C.	: Share Company
SKD	: Semi Knocked-Down
SUV	: Sport Utility Vehicles
SPSS	: Statistical Package for Social Science

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CHAPTER ONE: INTRODUCTION

1.1 Introduction

This chapter presents an overview of empirical data about the human resource management. It describes the human resource practices in Addis Ababa Car Assembling Enterprises including background of the study & organization, statement of the problem, basic research questions, general and specific objectives of the study, definition of key terms, significance of the study, delimitation, and organization of the study.

1.2 Background of the Study

The practice of human resource management (HRM) is concerned with all aspects of how people are employed and managed in organizations. It covers activities such as strategic HRM, human capital management, corporate social responsibility, knowledge management, organization development, resourcing (human resource planning, recruitment and selection, and talent management), performance management, learning and development, reward management, employee relations, employee well-being and health and safety and the provision of employee services. HRM practice has a strong conceptual basis drawn from the behavioral sciences and from strategic management, human capital and industrial relations theories. This foundation has been built with the help of a multitude of research projects (Armstrong, 2009). The overall purpose of human resource management is to ensure that the organization is able to achieve success through people. HRM aims to increase organizational effectiveness and capability – the capacity of an organization to achieve its goals by making the best use of the resources available to it (Armstrong, 2009).

HRM is concerned about human beings in an organization. “The management of man” is a very important and challenging job because of the dynamic nature of the people. No two people are similar in mental abilities, tacticians, sentiments, and behaviors; they differ widely also as a group and are subject to many varied influences. People are responsive, they feel, think and act therefore they cannot be operated like a machine or shifted and altered like template in a room layout. They therefore need a tactful handing by management personnel (Ganesan, 2014). Armstrong and Baron (2002) stated that: People and their collective skills, abilities and experience, coupled with their ability to deploy these in the interests of the employing organization, are now recognized as making a significant contribution to organizational success and also as constituting a major source of competitive advantage.

The automotive sector did not show satisfactory growth though a major money contributor to the Ethiopian economy. The sector is at low level of development in comparison to other countries including those in Africa (Eskinder Desta, 2007).

1.3 Background of Car Assembly Enterprises in Addis Ababa

Car assembly enterprises were started in Ethiopia in year 2010 according to Negarit Gazeta, (2010). The purpose of these enterprises was to manage for light trucks and utility vehicles such as vans, pickups, sport-utility vehicles (SUVs) and crossover-utility vehicles (CUVs). The industry also manufactures light truck and utility vehicle chassis. This industry excludes the manufacturing of cars and motorcycles.” (IBIS World, 2015). This study will covers for automotive assembly enterprises in Addis Ababa. Below are listed of licensed Automotive Assembly Enterprises:-

S. No	INDUSTRY DESCRIPTION	REGION (Main HRM Operation at Addis Ababa)	TYPE OF PRODUCT	CAPACITY/ YEAR	SPECIFIC LOCATION
1.	AMCE	Addis Ababa	Automobiles Assembly, Trailers	1500	Megenagna
2.	Abay Technic & Trading S.C.	Addis Ababa	Automobiles Assembly	500	Mexico
3.	Lifan Motors PLC	Addis Ababa	Automobiles Assembly	1000	Kality
4.	Belayab Motors PLC	Addis Ababa	Automobiles Assembly	6500	Akaki

Table 1.1 – List of Automobiles Assembly Enterprises in Addis Ababa
(Source: Ministry of Industry, 2018)

From the above table listed are licensed and at operation of assembling four wheel automobiles enterprises in Addis Ababa, Ethiopia. Their management and human resource mainly implemented in Addis Ababa, Ethiopia. Their profiles are listed below:-

1.3.1 AMCE

AMCE (Automotive Manufacturing Company of Ethiopia) back in 1930, was the Italian car manufacturing company, FIAT (Fabbrica Italiana Automobili Torino) introduced in Ethiopia with a truck model 621 and 634 which gradually gained popularity in the country. Since FIAT was encouraged by the promising result from the venture, it decided to open an assembly plant in Ethiopia in collaboration with the Ethiopian Government. Thus, AMCE was established in 1970, at the same place it is occupying now. Bole Sub-City, Woreda 12 House No. 306 with a total area of 132,392 square meters of land (AMCE, 2018).

The company currently employs 150 workers. AMCE is today the biggest company in the country in the industrial vehicles' segment. AMCE is a share-holder company owned 70% by IVECO, the international company of the FIAT group and 30% by the local Ethiopia Ministry of Industry. Since its foundation, AMCE has concentrated its business in the transport sector. At the end of the 70's AMCE was the sole company in Ethiopia to assembly heavy trucks. With its huge premises the company was monopolist in the truck business and was also the leader in the bus segment. In Ethiopia market IVECO product is appreciated that are very reliable and are keeping a very good value even after many years; this is also the huge running park, of around 15,000 units between trucks and buses and availability of spare-parts all over the country Ethiopia. One of the objectives are assembling of commercial vehicles including buses of all ranges of FIAT brand, manufacturing bus bodies, importing of IVECO vehicle and provide technical advice (AMCE, 2018).

1.3.2 Abay Technical and Trading S.Co.

Abay Technical and Trading Share Company (ATTS) was purchased by B.H Trading and Manufacturing PLC, With Total capital bid winning price 23,500,000 (Twenty three million five hundred thousand) as purchased agreement signed as of January 1st 2009 /10 with privatization and public Enterprise Supervising Agency. Previously ATTS was one of the three state owned public Enterprise established in 1974 after the dissolution of the "Public Transport Corporation" to provide technical and repair service and spare parts for passenger transport vehicles. The assumption during its establishment was mainly that ATTS would provide maintenance service mainly to the two sisters Enterprise. This did not materialize as the enterprises have organized their own maintenance facilities in due process (ATTS, 2018).

Therefore, ATTS was forced to shift from the original plan a look for alternative markets. It got involved in activities like bus body building and various vehicles maintenance service to different customers thereby putting itself in competition with well experienced private firms. Total employees are 110 workers. Service given by the company are provide technical and repair service of constriction machineries /vehicle, build bus bodies on chassis, import and distribute and sale construction machineries, spare parts and tiers, assemble contraction machineries/vehicles and sale, and engage in any other conductive to the attainment of the purpose mentioned here above. The Company has a total land holding of 12310 m3area including a big Garage with 4 bays for heavy-duty trucks and 4 bays for passenger cars and 4 electrical lifters, test bench for different types of electrical components, injection pump testing

machine, well equipped area for body repair and painting with drying furnaces, facilities for washing and greasing for light and heavy -deity vehicles and passengers cars, hot water parts washing area, multipurpose store of 1395 m2 area, 1500 m2 area underground store currently leased to (NMC), a fully equipped machine for machining and reconditioning automotive parts, set of machineries such as heating furnace, metal pressing metal cutting of 6mm capacity, a ground +1 office building covering 454.4 m2 out of which, the underground floor has been leased to the commercial Bank of Ethiopia on the long term contract basis. After sales services of maintenance and spare-part sales is carried in compound (ATTs, 2018).

The major workshop equipment and machineries of ATTs are computerized wheel alignment machine, computerized instrument for brake tester, computerized axle load tester, computerized head light aiming machine, modern painting booth with complete accessories, various types of special and common tools, electrical operated overhead crane different capacity, hydraulic operated jacks various capacity, hydraulic press different capacity, universal electrical component testing machines, diesel fuel system machine different types, vehicle components assembly pilot stands, welding machines, oxy-acetylene with complete accessories, electrical grinding machines, body repairs complete accessories, upholstery machines with accessories, lathe machines, surface grinding machines, and floor lifting jack various capacity (ATTs, 2018).

1.3.3 Lifan Motors PLC

China's Lifan Group is owned by Chinese and opened its manufacturing operation in Addis Ababa, Ethiopia in 2014 with 100% Foreign Direct Investment and with a manufacturing capacity of assemble 20 cars per day. The parts are imported from China, but 97 percent of its employees are local workers. Lifan Motors locates at eastern industrial zone, has total of 170 employees in Ethiopia with salary range of 2,000 to 10,000 birr, the total investment capital is USD 10 million, the management members are both Chinese and Ethiopian, established in 2009, potential market is local market Ethiopia, it's products are assembled cars of Lifan SKD kits (Ethiopian Investment Commission, 2015). Lifan Motors PLC has the first experience on car assembling and distributing cars in the local market of Ethiopia. The company also occupies with engineering teams of Chinese and Ethiopian, they provide assembling lines introduction to the staffs with basic technical on job trainings (Lifan Motors, 2018).

The sales office is located at Kazanchise NGF building and also the service room station located at Kara in front of the count office the former garage of ultimate motors with modern equipment and skilled man power. Lifan Motors is provide products like automobiles and their parts improved from China that assembled at major and the company give after sale service station with full of recourse. Previously the company works only in Addis Ababa but now on progress to open dealer's office on Hawasa, Mekele, Dire Adwa and Bihar Dar. The company hopes exporting the assembled cars to these neighboring countries would solve the problem of hard currency. Lifan Motors PLC is subsidiary of Lifan Motors in Ethiopia. It is known for its Lifan 530 and Lifan 320 models. Now it is introducing the Lifan X-50 and Lifan L-7 models. Lifan-530 is the 8th model of LIFAN vehicle. It is being assembled in Ethiopia, and has modern sensor, safety accessories and VVT engine (Lifan Motors, 2018).

1.3.4 Belayab Motors PLC

Belayab Motors (BAM) PLC was established with a registered capital of 100 million Birr and in Woreda 06, Akaki-Kaliti sub-city in 2006. Its sector of business was import and distribution of light, medium, and heavy-duty trucks and industrial equipment. Currently, BAM operates with a paid-up capital of 350 million Birr. In May 2012, BAM inaugurated a huge and modern Car Assembly Factory built on 14 thousand sq. meter in Adama city. The factory has a capacity of assembling 6 cars a day in one shift. BAM has also built a modern building at its 2,800 sq. meter area for head office and show-room at Woreda 01, Akaki-Kaliti sub-city. BAM provides after-sales maintenance service at its premise located in Saris. It has definite number warehouses to ensure adequate stock of spare parts and components. Between 2012 and 2018, BAM has assembled definite number of brands of automobiles, light-duty vehicles (pick-up and station wagon) and supplied to different customers. Moreover, recently BAM has started assembly and supply of KIA Motors Corporation model automobiles and SUVs (Belayab Motors, 2017).

Such transformation of BAM has benefited the country in terms of value addition in the automotive manufacturing chain, knowledge and technology transfer to Ethiopia's automotive industry. Belayab Motors have a vision of "becoming the preferred manufacturer of branded high quality automobile and light duty vehicle in East Africa." through Mission of Supplying quality, cost effective, affordable, and latest technology automobile, light duty vehicles and spare parts, via ensure the satisfaction of customers through delivery of efficient, cost effective and affordable after sales services (Belayab Motors, 2017).

Encourage research and development to promote future development of the industrial sub-sector. Company Values: Excellence in communication, leadership and performance; efficiency in service delivery and high level satisfaction of customers; respect and recognition of hard work and results; and cooperation, team-work, and mutual understanding of employees. Business Services: Assembly of numerous brand automobiles and commercial vehicles. BAM assembles the following brands of KIA Motors Corporation (Korea) named Picanto, Rio, Sportage, Cerato and Soul; and Chinese products named Zhengzhou Nissan Automobile (ZNA) Pickup Vehicles; Dong Feng Motors Corporation (DFM) Minivan, Medium Truck, Cargo Truck and Medium Bus (Belayab Motors, 2017).

1.4 Statement of the Problem

Nowadays, the advancement of technology is being dynamic and the involvement of human being has crucial effects for the sustainable development of the industry in general and the country in particular. As a result, to be engaged in business, management of human resource has a great role on sustainable organizational development. In Ethiopia, the acquisition of right talent and the retention programs for internal staffs requests a commitment from the top management besides focusing to machineries, equipments and tools. The needs for the existence of different industries are a result of unlimited wants of human beings. A manufacturing of vehicle motors are aims to simplify the human lives. But, it rather the advancement of the technology and the complexity nature of those business; it creates hardness over the life style of human beings. According to Armstrong (2009), the practice of human resource management (HRM) is concerned with all aspects of how people are employed and managed in organizations. Human resource management (HRM) is a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations.

HRM is a strategic approach to managing employment relations which emphasized that leveraging people's capabilities is critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programs and practices (Bratton and Gold, 2007). The car assembling factories are giving priority attention for assembling of cars and competes' with revelries without prior considerations of human resources. Most of the car assembling enterprises have short period of establishment, at this point they are not developing prior considerations than other functional areas of accounting, finance and assembling lines.

The car assembling enterprises have not yet well structured with skilled manpowered, human resource administration departments that causes no sustainably high turnover and frequent selection and recruitment of talent acquisitions, thus assembling lines costs too much for training of technology acquisitions. Enterprises have the practice of human resource fully implementing human resource management functions, and if one of the HRM function is not being implemented the enterprises may have causes for staff turnover for those capable talents, and it is not known how much and to what extent the HRM function being practiced. This study is aimed to assess the gaps of human resource practices with scope of human resource management functions from talent acquisition, retention and exit management strategies of car assembly enterprises in Addis Ababa.

1.5 Basic Research Questions

The study was guided by the following basic research questions.

- Are there human resources practices have being implemented in Addis Ababa Car Assembly Enterprises?
- How have implemented the HRM functions in Addis Ababa Car Assembly Enterprises?
- What significant challenges are observed while implementing HRM functions in Addis Ababa car assembly Enterprises?

1.6 Objectives of the Research

1.6.1 General Objectives

The general objective of the research is to assess human resource practices of car assembly enterprises in Addis Ababa and to provide alternative possible recommendations for stakeholders of the enterprises understudy.

1.6.2 Specific Objectives

The objective is to investigate specifically:-

- To assess the human resource practices in Addis Ababa car assembly enterprises
- To define the level of human resource management functions are being implemented in Addis Ababa car assembly enterprises
- To give remedies for the significant challenges assessed on human resource practices in Addis Ababa car assembling enterprises.

1.7 Definition of Key Terms

According to ATG Educational (2008) the following terms are defined as:-

Human(s): people with their experience, skills, knowledge, and personal qualities.

Human Resource: is the people, and the policies and practices that affect them in the workplace.

Human Resource Management: is the management of the people and the staff policies and practice that enable an organization to carry out its work. HRM is about enabling staff to use their qualities in order to fulfill their role and contribute to the organization's success.

Human Resource Management Functions: is concerned with the management of people at work. It includes manpower planning, employment, placement, training, appraisal and compensation of employees.

Organization: is describes as a consciously, coordinated unit created by groups in society to achieve specific purposes common aims and objectives by means of planned and coordinated activities. Organizations are created by people who decide to work together in order to attain their specific objectives (Mullins, 2005).

1.8 Significance of the Study

The significance of the study is to assess human resource practices in Addis Ababa car assembly enterprises, add values for decision makers of the enterprises to compare the human resource practices and take major corrective actions, guides policy makers to assess the trends of the enterprises understudy, and serves as benchmark for future research. The finding of this study will be helpful to guide decision makers on analyzing human resource practices, and provides possible alternatives of human resource practices for managements and stakeholders of the enterprises understudy.

1.9 Delimitation(Scope) of the Study

The study covers only the practice of human resource management functions (talent acquisition, retention and exit management strategies) in Addis Ababa Car Assembling Enterprises for financial and time constraints.

1.10 Limitation of the Study

This research does not address the different functional areas of the company understudy and it focus only for the practices of human resource management functions and from this research cannot conclude that this is not the only practices of human resources in the enterprises understudy; and the availability of limited data, it sets not to do further tests in assessing impact of variables.

1.11 Organization of the Study

The organization of the paper is constructed into five chapters; the first chapter includes background of the study, statement of the problem, basic research questions, general & specific objectives, definition of terms, significance, scope (delimitation), limitation, and organization of the study. Chapter two covers theoretical and empirical literature review concerning human resource practices in car assembling enterprises in Addis Ababa. Chapter three dealt with the research design and methodology including population and sampling, sampling design, sample size, target population, sources of data, data collection method. Chapter four consists of the data analysis and interpretation; and the chapter five consists of summary of findings, conclusions and recommendations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents an overview of literature review about the human resource practices in car assembling enterprises. It starts with background of the study, origination of HRM functions, managing the human resource in the 21th century, HRM functions in car assembly enterprises, rationales in car assembly enterprises, challenges for HRM functions in global car assembly enterprise, prospects and challenges of HRM practices at Addis Ababa car assembling enterprises, and global emergence of car assembling enterprises. It consists of the experience of developed countries, conceptual framework and empirical reviews.

2.2 Human Resource Practices

There are many HRM policies and practices which are promoting participation of organizational members and employees in the workplace activities and decision making. These policies and practices are team working, diversity management, stock-ownership plan, employee suggestion scheme, work-family balance practices, benefit sharing programs, family-friendly work practices or HRM, equal employment opportunities, affirmative action, empowering employee, open book management, and etc. These commitment orientated HR practices, provide evidences for good governance in the organizations through HRM (Bagraim & Axis, 2007). This shift in emphasis accorded to HRM has impacted on people management activities across a full range of business sectors (Chris Rowely and Keith Jackson, 2011).

Rowley and Poon (2008) also provide reasons to question best practices in terms of precisely what they are and what their universal application is. First, there is no consensus on what best practices are in studies. The conceptualization, interpretation and measurement remain subjective and variable among people, countries and time. Second, it can question the extent to which all organizations might wish, or be able, to implement best practices due to costs and/or sectors in business strategy and location. Third, it needs to ask for whom this best practice is for: organizations, shareholders, senior executives, managers or employees? Fourth, to whom are these practices applied, and is a minimum coverage needed of such groups and the organization's total HR to make it a best practice organization? Fifth, there has only limited actual diffusion and take-up, both at individual practice or HRM system level.

2.3 Theories and Principles of Human Resource Management

The literature on HRM and performance can be divided into three main kinds of theories universalistic, contingency and configurationally. The best practice approach to managing people is based on Universalist principles that assume some HRM practices are appropriate for all organizations (Armstrong, 2009).

Human capital theory changes the equation that training and development are ‘costs the organization should try to minimize’ into training and development as ‘returnable investments’ which should be part of the organizational investment capital. Therefore, human resource training and development decisions and evaluations have to be done based on clearly developed capital investment models (Josephat Stephen, 2011). The strategic objective of human resource management is then translated into the capacity of such an organizational function to attract, retain, and develop human resources to ensure the efficient and effective materialization of the organizational vision and goals (Dermol & Rakowska, 2014).

ATG Educational (2008) describes the human resource management at organizational level that there are many aspects of human resource management. Some organizations may feel overwhelmed and unsure about where to start making improvements. This is particularly the case for organizations that do not have a team or department specifically responsible for human resource management. Strategic HRM originate its theoretical impact from the resources-based analysis of the firm that delights human resources as a strategic asset and a competitive advantage in improving organizational performance (Becker & Huselid, 2006).

In essence, HRM differs from earlier personnel management models in relation to its focus, its principles and its applications. HRM can be simply described as the convergence of three factors – human beings, resources and management – where human beings have the actual and potential resources (knowledge, skills and capabilities) that can be harnessed through effective management techniques to achieve short- and long-term organizational goals as well as personal needs. Thus, the focus of HRM today is on the effective overall management of an organization’s workforce in order to contribute to the achievement of desired objectives and goals. As this model indicates, the principles on which HRM theories are based are generally broader and more managerial in their emphasis than personnel management (Kipkemboi Jacob Rotich, 2015).

Underpinning theories of HRM; a number of theories, especially the resource-based view, have contributed to the understanding of purpose and meaning of HRM. These theories are: Motivation theory explains the factors that affect goal-directed behavior and therefore influences the approaches used in HRM to enhance engagement; Resource-based theory expressed as ‘the resource based view’ states that competitive advantage is achieved if a firm’s resources are valuable, rare and costly to imitate; Organizational behavior theory describes how people within their organizations act individually or in groups and how organizations function in terms of their structure, processes and culture; Contingency theory states that HRM practices are dependent on the organization’s environment and circumstances; Institutional theory conform to internal and external environmental pressures in order to gain legitimacy and acceptance; Human capital theory is concerned with how people in an organization contribute their knowledge, skills and abilities to enhancing organizational capability and the significance of that contribution; resource dependence theory states that groups and organizations gain power over each other by controlling valued resources. HRM activities are assumed to reflect the distribution of power in the system (Armstrong, 2014).

The central principle is, of course, the effective utilization of employees in order to enable the achievement of organizational objectives. Thus, the entire ‘resource’ of the employee should be tapped (i.e. physical, creative, emotional, productive and interpersonal components) in order to achieve this goal. In contemporary organizations, the emphasis may be more on the ‘intellectual capital’, ‘knowledge worker’, or on ‘emotional intelligence’ than on manual or physical skills. These issues are integral to the management of the contemporary ‘knowledge worker’ and will keep shaping the theory and practice of Human Resource Management, moving forward (Kipkemboi Jacob Rotich, 2015). All HRM theories are, however, essentially managerialist in their emphasis on the management of the workforce and accountability to ensure the achievement of desired objectives and goals. Thus, HRM practitioners are seldom perceived as employee ‘advocates’ except when such activities are necessary to assist the achievement of the organization’s goals (Kipkemboi Jacob Rotich, 2015).

The imperatives of contemporary HRM theory include such principles as efficiency, effectiveness, productivity, labor flexibility and competitive organizational advantage. Indeed, Human Resource Management (HRM) is a complex and rapidly changes in industry. Despite its comparatively recent developments, and drawing upon both overseas and local influences, HRM is a crucial factor in the success of all organizations (Kipkemboi Jacob Rotich, 2015).

2.4 The Originations of Human Resource Management Functions

Humans are social beings; we seldom live and work in isolation. Whether consciously or unconsciously, we are always in interaction with other people and we are continually planning, developing, managing and ceasing our relations with others. Later in life we develop on this understanding further and carry it with us to our workplace (Zorlu Senyucel, 2009). Human Resource Management (HRM) is concerned with all aspects of how people are employed and managed in organizations. Human resource management (HRM) is a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations (Armstrong, 2009). Human resource management refers to the activities of specialist staff that are responsible for the personnel objectives of the organization. The head of this department is responsible for establishing and implementing strategies for the human resource of the organization – its people. Staff members of this department are responsible for providing guidance and assistance to both management and employees. In as sense, it is their job to manage people. The policies of the human resource department affect the entire workforce. Hence it is their responsibility to look after the interests of all – management as well as other employees (Manmohan Josi, 2013).

Between late mid-400 B.C. to early 300 B.C., human development philosophy expanded significantly from trade and arts education. Greek philosophers Plato and Aristotle joined Socrates in contributing significant insight and educational thought to human development. Socrates based his Socratic Method on inquisition and the need to find the underlying truth to reason. By the middle ages, beginning early 300s to early 1300s, Christianity held the greatest influence in education and training. Specifically, the responsibility for institutional control rested with the Church (Torraco, 2009). The Renaissance era, 1400 – 1800, introduced inventions, ideas, and art, which continue to underlie technological advancements today. Much of modern technology can be traced back to the culmination of trade practices and a deepening thirst for knowledge (Swanson & Holton, 2009).

The roots of people management can be traced all the way back to Stonehenge, but people management as it today probably stems from the Institute of Personnel Management (IPM); established in 1946 main aim of which was to meet the increasing need for labor and personnel specialists. Between 1950 and 1970, passed legislations in which employment laws were created to improve conditions at work, meet employee's health and safety needs, increase employee's rights, keep employment records (start date, pay, holiday entitlement, etc), and introduce personnel specialist in the workplace (Zorlu Senyucel, 2009).

By the 1980s, another transformation from a hard HRM approach to a softer HRM approach began to appear (Rodríguez-Ruiz, 2014). The hard approach focused on strategic fit and firm performance. Conversely, the soft approach primarily addressed the impact of human resources on internal and external stakeholders of the organization. The contrasting approaches shifted the perspective of HRM from calculated practices aimed at effective and efficient resource utilization to management decisions which valued both the employer and employee (Rodríguez-Ruiz, 2014).

Decade	Business Realities	HR Name Changes	Issues
Pre-1900	Small Business & Guilds	Did not yet even Exist	Owners Owned the HR issues
1900	Industrial Revolution	Labor Relations	People as interchangeable parts
1920	Civil Service & WW1	Industrial Relations	Worker rights and more formalized Processes
1940	Scientific Management & WW2	Personnel Administration	Efficiency experts and more highly evolved HR processes
1960	Civil Rights & Compliance	Personnel	Legal Compliance and Reporting; “Policy Police”
1980	Human Relations, the Knowledge/Service Economy, and Mergers & Acquisitions	Human Resources People	Relevance in a fast-changing world; Motivation and “Human Relations” theories abound
2000	Modern Organizations	Organization Effectiveness? Human Capital? Organizational Capability?	No new official names, but lots of “Morphing” as the transactional parts get outsourced and the transformational parts get defined

Table 2.1: Origin of HRM

Source: Measuring Organizational Performance by Richard M. Vosburgh, Mirage Resorts, Mgm Mirage, 2009)

One of the most important catalysts for the emergence of HRM came from developments in strategic thinking about how businesses would need to adapt and change to survive in the eighties and nineties. This in turn led to questions being asked about the role and function of traditional personnel management approaches to the management of people in organizations. Although HRM was essentially meant to replace traditional personnel management, the two have much in common and indeed some critics of HRM have questioned the extent to which it really is fundamentally different from its predecessor. Finally, many of the theories and findings from the closely related field of organizational behavior have been utilized by HRM theorists and practitioners (Tony Keenan, 2015).

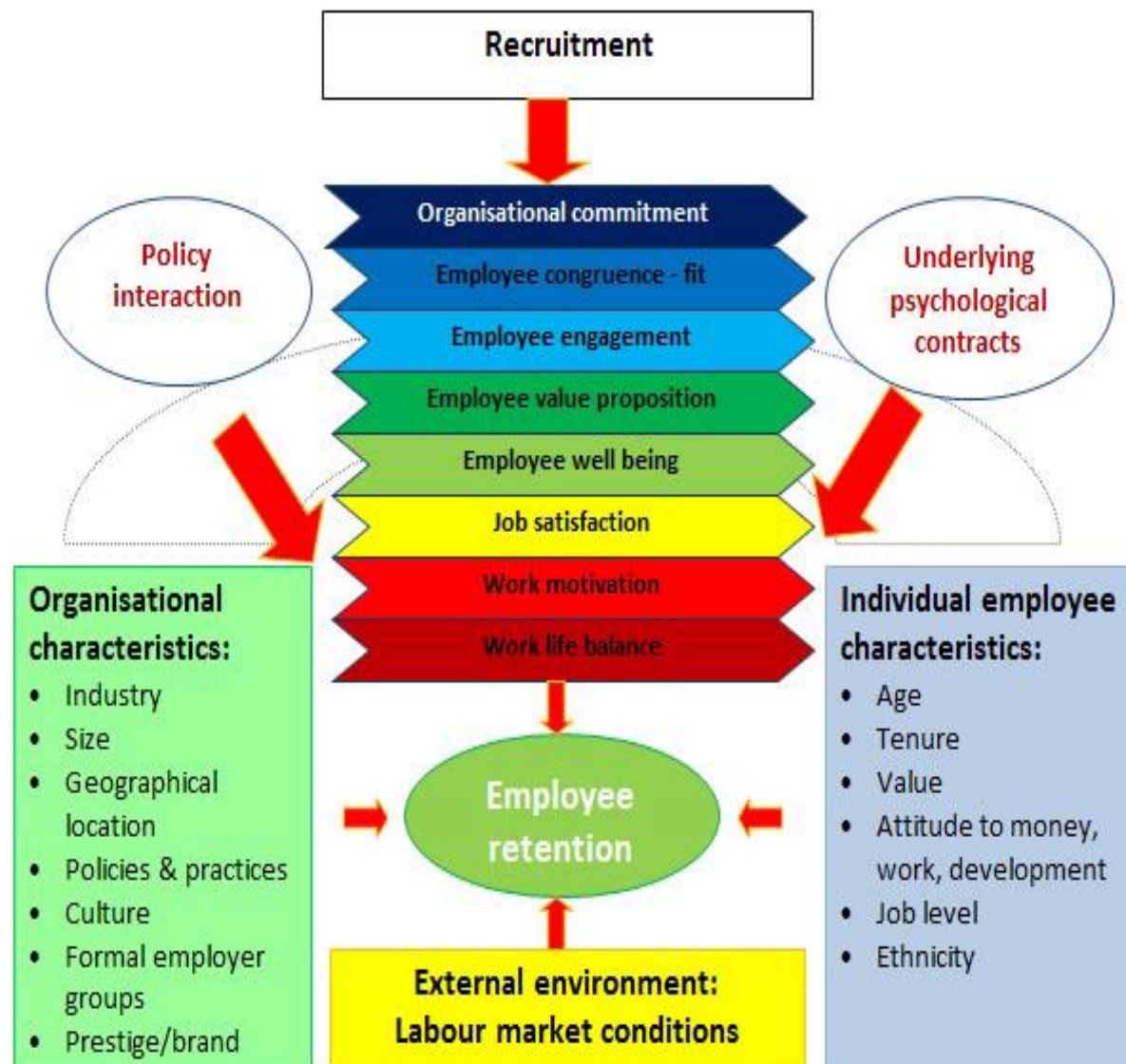


Figure 2.1: The influences of employment relationships on retention
(Source: Nettle et al., 2011)

2.4.1 Talent Acquisitions

Talent Acquisition is a strategic approach to identifying, attracting and on boarding top talent to efficiently and effectively meet dynamic business needs. There is always a huge potential for highly talented resource globally and acquiring such talent has always been a challenging task for practitioners (J. Bersin, 2013). The key elements of an effective talent acquisition strategies are conduct workforce planning, build your employer brand, source and recruit job candidates, leverage recruiting technology, develop an effective on-boarding program, and utilize data analytics.

Talent acquisition is not the work of the HR manager or the managerial leader alone; instead, it is a collaborative effort that requires individuals to work closely together to understand the needs of each team or department in the organization. Talent acquisition is most effective when organizations look at organizational needs and cultural fit simultaneously to achieve a “best-fit model”. In this model, the HR manager and managerial leader work together to define the ideal well-rounded candidate and employee, one who is equally successful in the job competencies and the organizational culture. Resourcing the best candidates from a bigger talent pool rather than the available applicants would result in a more efficient talent acquisition. This has vital impact on the organizations that are in the process of recruiting as it leads to the implication of competent talent acquisition. Talent acquisition refers to attracting right set of individuals who possess right set of skill set and competencies to perform the job (Srivastava & Bhatnagar, 2010).

2.4.1.1 HRM Planning

Pattanayak (2006) considers HRP as a process of analyzing an organization’s human resource needs under changing conditions, and developing the solutions necessary for satisfying those needs. Therefore, an organizational mission, goals, objectives, strategies and policies must guide HRP. One of HRM planning includes, succession planning is a process most often done for upper-level management positions. It requires senior managers to identify employees who should be developed to replace them. Under an ideal succession planning system, individuals are initially identified and nominated by management. The purpose of HRP is to transform strategy and business plans into the HR needs of the organisation, i.e. identifying and highlighting the right jobs (see the concept entry on job planning), the right types, as well as the right numbers of employees. The emphasis in HRP tends to be on job types and numbers; the people aspects tend to be the province of the recruitment and selection processes, discussed in more detail elsewhere in this book (Chris Rowely and Keith Jackson, 2011).

A formal career development plan typically consists of career planning and career management. Career planning involves HRD activities to recognize career stages, help employees become aware of their personal skills, interest, knowledge, motivation, acquire information about opportunities and choices, identify career-related goals, and establish action plans to attain specific goals. Career management is the process through which organizations select, assess, assign and develop employees to provide a pool of qualified people to meet future needs (Chris Rowely and Keith Jackson, 2011).

2.4.1.2 Recruitment and Selection

Venkatesh & Jyothi (2009) recruitment is about the art of discovering and procuring potential applicants for actual and anticipated vacancies in the organization. This definition has introduced the concept of ‘art’ which is about the soft skills of management, some of which might be a natural talent of some managers or acquired through specialized training. The use of the word ‘discover’ emphasizes that effective recruitment is a process that involves exploration and that will require specialized methods and techniques, short of which no ‘discovery’ of potential people for the job can be made. Hiring the best recruits and promoting the most suitable candidates will help an organization to spend less while achieving better results (Patrick Merlevede, 2014). Recruitment and selection involves the applicant and organization trying to discover how their interests can converge. It is a two-way process. Applicants need to have a clear idea about the job. They should also have a clear idea about the type of organization that they are joining (Venkatesh Ganapathy, 2018).

2.4.1.3 Inductions (Orientation)

Induction is the process of receiving and welcoming employees when they first join a company and giving them the basic information they need to settle down quickly and happily and start work. The aims are to: smooth the preliminary stages when everything is likely to be strange and unfamiliar to the starter; establish quickly a favorable attitude to the organization in the mind of new employees so that they are more likely to stay; obtain effective output from the new employee in the shortest possible time; and reduce the likelihood of the employee leaving quickly (Armstrong, 2014).

In some organizations, the induction program is divided into phases. In the first phase, the induction is generally done by a member of the HR department who informs the new employee particulars relating to the organization. In the second phase, induction is done by the supervisor of the department in which the new employee is going to work. New employee informs the new comer about his/her job, duties, responsibilities, importance of his/her job in relation to other jobs etc. (Monmohan Joshi, 2013). The first days when they start working for an organization are determining moments in an employee’s career. This is the time when the professional relation with their new “boss” and colleagues gets established. They should be informed about the organization’s culture (its values, formal rules and habits, but also its unwritten rules) and how they will fit in (e.g. how their job will contribute to achieving the organization’s vision and mission). Independent of the size of your organization, an induction program is definitely something worth investing in (Patrick Merlevede, 2014).

2.4.2 Talent Retention

Nettle et al. (2011) suggest that retention is an employer-based concept whereby employers attempt “to create and foster an environment that encourages current employees to remain employed in their business” and avoids employee turnover by meeting individual needs. A further definition comes from Ganesan and Khan (2010); retention is the “sum of all those activities (carried out by employers) aimed at increasing organizational commitment of employees, giving them an overall ambition and myriad of opportunities where they can grow by outperforming others”. However, not all retention is necessarily good. According to Nettle et al. (2011), “functional retention” is where those people not performing to expectations leave, with the higher performers retained, so that the firm’s performance improves after their departure. “Dysfunctional retention” occurs in the reverse situation, when low performing staff stays and high performing staff leaves.

Having invested considerable resources such as time and money in the recruitment, selection and induction of new staff, it is surprising how little effort managers, supervisors, co-workers and HRM staff make to ensure that the recruit’s services are retained (Cowie, 2004). It is assumed that the candidate made a definite decision to wish to join the organization and then when selected they must be happy and content to stay. It is, however, when the reality of working in the organization mixes with the image – as sold in the advertisement by the recruiting team and (ideally) supported by the inducting team – that problems in employment relations tend to occur (Chris Rowely and Keith Jackson, 2011).

The retention, or lack of retention, of employees is usually a mixture of ‘push’ (wanting to leave the employer) and ‘pull’ (wanting to join another employer) factors. Although managers and leaving employees prefer to emphasize the pull factors (almost everyone likes to say they are going to a better job) it is more often the push factors, which are important (CIPD, 2007). Often the issues involved in the reward package (pay and benefits) are the cause of problems. The recruit may have been told that ‘on target earnings’ are pre determined amount of salary payments, but discovers that only a small percentage of staff actually achieve this amount. The package might have been described as monthly bases, but employees discover that this includes working the maximum overtime hours at weekends. Or the new employee discovers that although the salary and benefits appeared to be reasonable, they are paid less than there, similarly capable, colleagues. These are issues that could be made clear from the beginning but are hidden because it is feared that there would be few recruits – so resources are wasted in bringing in unhappy employees (Chris Rowely and Keith Jackson, 2011).

2.4.2.1 Performance Evaluation

Performance appraisal means the systematic evaluation of the performance of any employee by his/her supervisors. It is a tool for discovering, analyzing and classifying the differences among workers in relation to job standards. It refers to the formal system of appraisal, in which the individual is compared with others and ranked or rated. Generally, appraisal is made by the supervisor or manager once or twice in a year. It is an important tool of HR management, and is used for a variety of purposes in making decisions regarding various aspects such as promotions and merit rating. It is helpful in preventing grievances because it is a definite aid to management in promoting fairness to employees. It provides accurate information which plays a vital role in the organization as a whole. If valid performance data are available, i.e. timely, accurate, objective, standardized and relevant, management can maintain consistent promotion and compensation policies throughout the total system (Monmohan Joshi, 2013).

When performance dimensions, measures and standards have been developed, the manager must communicate them to the direct report. The manager must make certain that the direct report understands measures and standards. The manager then gets the direct report to set goals for performance for the coming year. Note that goals and standards are not the same thing. The standard is what is expected of a fully job-knowledgeable employee who exerts normal effort. One purpose of performance management is to encourage employees to set stretch goals, i.e. to exceed the norm or standard. At the end of the goal-setting discussion, the direct report should have agreed some performance level as a goal. The set of performance measures, with standards and goals, becomes the performance ‘contract’ for the period (Chris Rowely and Keith Jackson, 2011).

2.4.2.2 Training & Development

Common wisdom tells us that the owner of the household knows better than the neighbor. Line managers are involved in day-to-day operations of the department. They are expected to know both general and specific knowledge, skills and attitudes required to effectively perform specific tasks by individuals, teams, and the whole department. They are also expected to know the kind of competencies that will be required in the future and help staff develop such competencies through career development programs (Josephat Stephen, 2011). The availability of technology in training and development allows individuals access to learning opportunities when it best suits their schedule and enhances knowledge management and sharing among participants (Hernez-Broome & Hughes, 2004).

2.4.2.3 Compensation and Benefits

The development of an effective pay structure is not an easy task because it involves systematic data collection, careful analysis and interpretation and prudent decision making. It involves the following processes: (1)selecting an area of industry, a firm or an organization and listing key jobs and positions; (2)common to most firms in the survey for comparison; (3)preparing a schedule of information required, for example, salaries, scale/grades, supplementary pay etc.; (4)collecting data through instruments such as interviews, questionnaires and suchlike; and (5)compiling data for each job (Redman & Wilkinson, 2009).

Every organization has a compensation strategy, although it is frequently implicit rather than explicit. The difficulty with this approach is that implicit strategies are ambiguous and are unlikely to be a function of organizational strategy or the HR strategy. This lack of vertical alignment means the compensation programs may not be working in tandem with programs that are driven by organizational strategies. For example, if the organization's overall business strategy is based on product or service differentiation, a low-cost compensation strategy will work in opposition to achieving the business strategy. It is also important that a compensation strategy be horizontally aligned with other HR strategies. An organization with an internal staffing strategy should pay less attention to benchmarking against labor markets than to developing an accurate internal hierarchy of value that mirrors typical career development paths. Similarly, an organization that values an egalitarian culture would do well to avoid perquisites (Chris Rowely and Keith Jackson, 2011).

2.4.2.4 Safety and Health

Employee health and safety programs should be a major priority for management because they save lives, increase productivity, and reduce costs. These health and safety programs should stress employee involvement, continued monitoring, and an overall wellness component (Anthony et al., 2007). Health and safety at work is therefore aimed at creating conditions, capabilities, and habits that enable the worker and his/her organization to carry out their work efficiently and in a way that avoids events which could cause them harm (Garcia-Herrero et al., 2012). Many states have passed the 'right to know' legislation that guarantees individual workers the right to know of hazardous substances in the workplace, and requires employers to inform employees of the same (Anthony et al., 2007). Health and safety is important since the well-being of employees is important. Depending on the country's labor policy, some rules set with regards to safety and health of employees (Aidah Nassazi, 2013).

These rules and controls over organizations against employees may be such as; compulsory workman compensation schemes where all organizations are required to insure employees at work. Another control may be regular inspection of working environment by the government and union officials. The inspection may be aiming at ensuring that the company is following the set policies and has a safe working environment for its employees (Aidah Nassazi, 2013).

2.4.2.5 Career development & growth

Employee career growth activities refer to initiatives taken by employers and employees to polish their expertise and keep themselves familiar with the recent developments. The main key to grow and survive in any business is innovation. Providing internal career growth opportunities can help organizations keep top talent from seeking opportunities elsewhere. It is extremely essential to train and develop the employee so that they can cope up with all the changes and innovations coming in their way (Shuana Zafar Nasir, 2017).

2.4.2.6 Employee and Labor Relation: Industrial Relations

Foot & Hook (2008) has stipulated important rights of the employer and employee in the employment relationship. In this regard, the employer has the right to control work performance, integrate employees in the organization's structure and management system, and create an environment of mutual trust, confidence and supply of enough and reasonable work. In exchange, the employee is expected to obey lawful and reasonable orders, maintain fidelity and work with due diligence and care. The laws of the land usually govern these relationships and expectations and where breaches are made, leading to conflicts of interests and grievances, legal remedies have to be sought from a court of law.

Trade unions are the institutional agent representing the interests of workers both within an enterprise and wider society, and as such they emphasize the collective rather than individual nature of employment relations. Collective bargaining is a method by which the representatives of workers and employers regulate the terms of employment relations, typically through negotiation and consultation. Collective bargaining agreements tend to produce two distinct types of employment relations rules: substantive and procedural. Substantive agreements are the ones most typically associated with collective bargaining in that they set out the main terms and conditions of employment, such as wages and holidays or hours of work. Procedural agreements, on the other hand, determine the mechanisms by which the parties can adjust substantive terms; for example, by agreeing which trade unions are recognized for the purposes of collective bargaining and the frequency with which negotiations occur (Chris Rowely and Keith Jackson, 2011).

2.4.3 Talent Exit Management

If the right person isn't at the right place, this can seriously damage the rest of the organization. A misfit needs to be addressed. Maybe training and coaching can solve the problem, but if that doesn't work; the person should be asked to take on another position or to leave the organization. Incapable people are not the only people to leave an organization, as talented people may also decide to leave. In that case, look for feedback by conducting an exit interview to find out what caused their departure. And don't be satisfied too quickly if the answer is "I will earn more money" or "I will get more responsibility". Try to obtain further feedback this way about how the organization is doing and what should be done differently (Patrick Merlevede, 2014).

Resignation occurs when an employee decides to terminate his/her employment with an organization. Whatever a manager may do to retain experienced staff, resignations will occur. When this happens, it is useful if the HR manager conducts an 'exit interview' with the employee concerned, to try to ascertain the real reason why he/she is leaving. In many cases resignation is unavoidable on account of certain circumstance, for example, illness, accident, marriage, pregnancy, death in the family, or intention of self or spouse to move to another city, etc. Sometimes resignations may occur on account of lack of motivation, terms and conditions of employment, difficult relationships with co-workers or manager/supervisor, denial of promotion or salary increase etc. An employee 'retires' from the job when he/she has reached a certain age, and not because of any other reason (Monmohan Joshi, 2013). At the time of retirement or resignation, employees are generally eligible for certain benefits. These differ as per the laws of the country, and rules of different organizations. These benefits may include provident fund, gratuity and pension. (Monmohan Joshi, 2013).

Turnover is easier to measure than retention. Average annual turnover, or the wastage rate, on the other hand, is the separation of an individual from an organization (Nettle et al., 2011). Turnover is likely to create extra work for other staff members, contributing to employee fatigue which is associated with an increased risk of accidents and injuries. Measurement of the true costs of labor turnover has not been carried out for agriculture. However, it has been estimated to cost between 50 to 150 per cent of the employee's annual salary depending on their role. It also impacts on the image of the industry, impairing its attractiveness to potential new entrants. Turnover is a factor which affects farm productivity, profitability and the industry's sustainability (Nettle et al., 2011).

2.5 Managing the Human Resource in the 21th Century

21st century approach of HRM is to utilize the knowledge and expertise of people efficiently and effectively to meet organizational targets (Wong & Snell, 2003). Now a day, the role of human resource management departments has become indispensable for 21st century modern businesses. Companies that aspire to sustain their competitive edge, both at present and in the future require human force well equipped with recent techniques and technologies to face the changes and upcoming challenges of 21st century (Shuana Zafar Nasir, 2017). There are an incredible number of demands on organizations today. Few of them includes escalating globalization, tough competition, frequent changes in technology, new organizational alliances, novel organizational structures, demographical shift, change in methods of working etc. With all these changes, there is a huge amount of pressure on today's organizations and especially HR function has a very critical role to play in order to help and navigate through evolutions. Hence HR needs to increase its apparent as well as real value. Regarding the HR functions of 21st century, the organizations have altered from "behind the scenes" to becoming the critical differentiator in businesses. There is a need to develop a flexible workforce to meet the changing demands of 21st century (Shuana Zafar Nasir, 2017).

The changing nature of work and organization has led to a situation where there are no longer jobs for life. This means individuals no longer have to have long-term contracts and organizations are not guaranteed to have employees that will stay loyal and committed. HRM is vital that organizations should see their employees as valuable assets not just a file or a number in spreadsheet. Employees are not expecting their employers to invest on their training and development and in return the organizations expect their employers to invest on their training and development and in return the organizations expect employees to be flexible, creative and productive. Organizations not only have to match the organizational needs, but also the values of its employees. It was not an easy task to manage employees before and it sure is not easy now either. Even with the latest discoveries in psychology, sociology and organizational behavior fields, people are still unpredictable and difficult to understand (Zorlu Senyucel, 2009).

Earlier manpower planning was about determining the number of full time employees in specific roles to meet future business demand. Now the challenge is to gauge how and to what extent the quality and mix of workforce capabilities need to support business objectives. HRM is a three-way partnership between organization's top leaders, HRM and middle managers (Venkatesh Ganapathy, 2018).

In the best companies, HR department is expected to actively assist middle managers rather than regulate them or process paper work and to provide them with tools and training to help them carry out human capital management roles. HR department and middle managers work together to develop competency models. These models can be used to guide the information collected by managers in interview (Venkatesh Ganapathy, 2018). Knowledge, skills, attributes and brainpower that an employee possesses are viewed as the organization's human capital. The collective composition of any organization's human capital is considered a key strategic business advantage. Human capital defines and categorizes a person's embodied knowledge, health, skills and abilities as they affect production, exchange and entrepreneurship as well as disembodied human knowledge as reflected in publications, patents and other forms of intellectual capital that contribute to the formation and transfer of new knowledge and innovation (Rainke, 2015).

2.6 Evaluating Human Resource Practices in Car Assembly Enterprises

It is necessary to evaluate the contribution of the HR function in order to ensure that it is effective at both the strategic level and in terms of service delivery and support. The prime criteria for evaluating the work of the function are its ability to operate strategically and its capacity to deliver the levels of services required (Armstrong, 2009). In addition to internal data it desirable to benchmark HR services. This means comparing what the HR function is doing with what is happening in similar organizations. This may involve making direct comparisons using quantified performance data or exchanging information on 'good practice' that can be used to indicate where changes are required to existing HR practices or to provide guidance on HR innovations (Armstrong, 2009).

Zorlu Senyucel (2009) describes that once the decision is made on a candidate then the organization is responsible for the candidate's fit within the organizational culture. A diverse workforce is advantage of an organization's competitiveness because employees from different backgrounds improve innovation, creativity, and knowledge generation. However, careful HR planning and recruitment and selection processes are necessary to ensure the wellbeing of a new employee. Will he/she be able to blend in? Will he/she feel accepted? Will existing members of staff accept the new comer? HRM function has narrow operational boundaries and needs to expand to look both within and outside the organization. Human resource activities and knowledge management can lead to a favorable learning environment and increase organizational performance (Fida Afiouni, 2009). HRM function is considered an expense generator and an administrative function and not as a value added partner.

HR managers are strategic business partners. They need to play a strategic role in designing and implementing HR policies, systems, practices that will develop firm's human capital and boost performance (Fida Afiouni, 2009). Human resource management refers to the activities of specialist staff that are responsible for the personnel objectives of the organization. The head of this department is responsible for establishing and implementing strategies for the human resource of the organization, its people. Staff members of this department are responsible for providing guidance and assistance to both management and employees. In a sense, it is their job to manage people. They do so by acquiring, retaining and developing the human resource of the organization. The policies of the human resource department affect the entire workforce. Hence it is their responsibility to look after the interests of all management as well as other employees. (Manmohan Joshi, 2013)

There are four main points that HR managers need to analyze in order to establish a healthy and effective HR functions (Bloisi et al., 2007):

- Current state of the workforce: what is the current situation of our workforce? Is our workforce doing what it should be doing in order to achieve our goals?
- Internal strength and weakness: What are our core capabilities and sources of our workforce for competitive advantage? How can we train, develop and retain our employees? What are the limitations of our workforce?
- External Opportunities and Threats: How can we take advantage of the current situation in the business environment? What plans do we have for our workforce if the current market changes?
- The Path: How do we know we are on the right path? Are we meeting our deadlines? Are we on schedule?

According to Armstrong (2009) stated that, how members of the HR function can demonstrate their effectiveness to:

- Understand the business strategy and act in ways that support its achievement.
- Anticipate business needs and produce realistic proposals on how HR can help to meet
- Show that they are capable of meeting performance standards and deadlines for the delivery of HR initiatives and projects.
- Provide relevant, clear, convincing and practical advice.
- Provide efficient and effective services regard to response, delivery times and quality.
- Generally reveal their understanding and expertise.

Shoemaker & Jonker (2005) defines ‘talent as above average giftness towards a task through which an employee creates added value in his or her work’. The implication is that, within the context of organizations, jobs and tasks, talent is a gift which an employee may or may not have and will define the extent to which organizations can excel through excellently done jobs and tasks. That excellence has to come from employees with excellent talents.

2.7 Rational for Human Resource Practices in Car Assembly Enterprises

The difference between success and failure of an organization largely rests with its employees. Employee’s involvement, engagement, participation and empowerment all seemingly look like synonyms. The absence of an involved employee can have severe consequences for a firm in the interim. An involved employee is a good communicator, a good team player and has good interpersonal skills, and also knows how to maintain the distance from pessimists (Venkatesh Ganapathy, 2018).

The business world today is going very fast and new technology new methods of production and new taste of customers and new market trends as well as new strategies for best control of the organizations and motivation of employees are emerging and taking place from old to new methods, because business activities now are globalize, and every organization strive to sustained the loyal customers, trained the employees, introduce and adopt new methods of production and best control the activities of the organization. When the company feel that the activities which they are doing, the management, the way of administration, the use of technology, the human resource policies, the culture of the organization, the liking and disliking the contents and context of the organization by the employees, organization structure, group concept, the product quality are continuously destroying the image and reputation of the organization the question arises that how will change the organization in present scenario (David Decenzo, 2005).

According to Richard et al. (2009) organizational performance includes three specific areas of outcomes: (a) financial performance; (b) product market performance (market share, sales, etc.); & finally (c) optimized shareholder return (economic value added, total shareholder return, etc.). Capable, motivated and high performing employees contribute immensely to an organization’s success and sustained level of organizational performance. Capital is used to generate wealth for an organization. Employees as resources can generate more wealth. Human capital represents collective skills and knowledge of total work force of any organization. Human capital management creates value by proper utilization of people’s potential (Rainke, 2015).

The ability of the management that how they can get maximum benefits and support form changes which reduces resistant from the side of employees and encourage appreciate acceptance and support. The process of changing the activities of the organization as well as the implementation of the procedures and technologies to achieve the desire objective of the organization, in simple words to change the environment of the business organization and to achieve a high profit from that change, usually change management includes different aspects to control change, adaptation change and effecting change (Buchanan and Andrzej, 2005).

The final goal of the change management is the long term sustainability of the organization. organizational change simply means to change the activities of the organization concern it may includes to change the culture of the organization, technology, business process, change of employees, rules and procedures, recruitment and selection, design of jobs, method of appraisal, and human resource techniques, physical environment of the organization, methods of training and development, job skill and knowledge etc. when the change of the concern organization is fundamental it is called organization transformations. Change management means when all the needed actions are taken to improve the present situation for future to implement the change strategies to get the maximum advantages and also see that the objectives of the organization is achieving or not (Buchanan and Andrzej, 2005).

Good human resource practice is essential if organizations want to attract and retain good staff. If people see that an organization values its staff, they are more likely to apply for a job with the organization and more likely to stay once they are recruited. Good human resource practice means that an organization reduces risk to its staff and reputation. Good human resource practice can also reduce costs for an organization. For example, good recruitment policies and processes mean that organizations can efficiently recruit people who will carry out their jobs effectively. (ATG Educational, 2008).

2.8 Practices of Human Resource Management Functions in Car Assembly Enterprises

The main outcomes of any HR strategy is that organizational culture is sufficiently clear, that all HR initiatives are aligned, that the structure of the organization fits with the organization's goals and that the budget are allocated to realize the goals (Patrick Merlevede, 2014).

Soft HRM focuses on employee training, development, commitment and participation. It is used to define HR functions aimed to develop motivation, quality and commitment of employees; hard HRM, on the other hand, concentrates mostly on strategy where human resources are used to achieve organizational goals Beardwell and Claydon, 2007).

It is also associated with cost control and head count strategies, especially in business processes like downsizing, lowering the wages, shortening comfort breaks, etc. (Beardwell and Claydon, 2007). Within organizations, human resource management plays an irreplaceable role. HR department is the accelerator of organization change and HR managers must keep on training themselves in the latest approaches of HRM to meet the demands of dynamically changing environment. HRM is essential to keep and motivate human resources in order to increase competitive advantage of organizations (Koubek, 2009).

2.9 Challenges for HRM Functions in Global Car Assembly Enterprises

HRM function has narrow operational boundaries and needs to expand to look both within and outside the organization. Human resource activities and knowledge management can lead to a favorable learning environment and increase organizational performance. HRM function is considered an expense generator and an administrative function and not as a value added partner. HR managers are strategic business partners. They need to play a strategic role in designing and implementing HR policies, systems, practices that will develop firm's human capital and boost performance (Fida Afiouni, 2009). HR departments need to bring recruitment and selection processes in line with the necessities of the law. One effective process in continuous monitoring of employees gender, race, ethnicity, disability, and in some cases sexuality in order to illuminate direct or indirect discrimination with the processes (Bratton and Gold, 2007).

HR managers may not be perceived as business partners; the doctrine that human resource managers should be seen by fellow managers as partners in business may be wishful thinking rather than what actually happens in practice (Josephat Stephen, 2011). Too much time for hiring or too many manual error prone processes or insufficient workflow processes or a time consuming process for assessing candidates are the prominent challenges in talent acquisition. Often there is disconnecting between HR and hiring managers. Employee's job posting in intranets is a good strategy but it can often be misused. There are organizations where candidate is finalized even before the employee job posting is done. So the entire process of internal recruitment can become an eye wash. Inefficient interview management including scheduling and coordination can be unsettling for efficient talent acquisition. In some cases, on-boarding new employees can take too long. Inefficient use of existing talent pools can be extremely damaging in the long run (Venkatesh Ganapathy, 2018).

In the case of a wrong hiring decision, the new recruit will be unproductive, and the employer will have to pay to fire that person and to hire and train yet another worker (Patrick Merlevede, 2014). Another major challenge facing HR practitioners is that different locations/offices might have their own operating methods and are resistant to changing. The local offices control their own HR functions, so implementing corporate HR initiatives would likely be very difficult. To effectively implement corporate HR strategies, organizations must take into account the various local ways of operating. A corporate mandate to use a certain practice might not be successful if it is not flexible enough to incorporate the local cultures and ways of doing things (Sheila, Paul, Richard, 2000).

The way that different locations/offices perceive their organization's HR function also poses a large barrier to implementing consistent HR practices. One location/office might perceive HR to be a true business partner, working with high-level managers and contributing to the strategic direction of the organization. In sharp contrast another location/ office in the same company might view HR as purely an administrative function that is responsible only for tracking personnel issues. How local offices view the HR function is largely dependent on how their corporate office views it: If the HR function is deemed to be of strategic importance by headquarters, the locals will likely view it similarly. Thus, the importance of the HR function is implied by how strategically aligned it is with major business issues and challenges facing the organization (Sheila, Paul, Richard, 2000).

2.10 Global Emergence of Car Assembling Enterprises

One of the main drivers of global integration has been the consolidation and globalization of the supply base. In the past, multinational firms either exported parts to offshore affiliates or relied on local suppliers in each location, but today global suppliers have emerged in a range of industries, including motor vehicles (Sturgeon and Lester, 2004). Supplier consolidation at the worldwide level has not progressed as far as in North America, but it has picked up speed in recent years as the formation of new global lead firms and groups, such as Daimler Chrysler in 1999 (a deal that was undone in 2007), Nissan-Renault in 1998, and Hyundai-Kia in 1999 lead to some slow and partial consolidation and integration of formerly distinct supply bases (J. Sturgeon & Biesebroeck, 2010).

With the recent economic crisis, some of these acquired companies are now being sold off; Saab and Volvo are two examples, partially reversing this trend. On the other hand, some of the industry's largest mergers, such as the alliance between Renault and Nissan, appear to be quite stable (J. Sturgeon & Biesebroeck, 2010).

Suppliers with a global presence can try to concentrate their volume production of specific components in one or two locations and ship them to plants close to their customers' final assembly plants where modules and sub-systems are built up and sent to nearby final assembly plants as needed (J. Sturgeon & Biesebroeck, 2010).

The processes involved with automobile assembly plants are highly specialized, and the real property is highly integrated with the dedicated manufacturing equipment; in fact, the subject's design, sheer size and configuration to accommodate this special purpose causes it to not be feasible to adapt much of the plant to another purpose. Special purpose business properties, such as automobile assembly plants, are amongst the most challenging types of properties to derive current values for. Motor vehicle assembly plants use energy throughout the plants for many different end-uses. The main energy types used on-site are electricity, steam, gas and compressed air. The motor vehicle assembly industry has responded with many motor vehicle assembly sites introducing renewable energy sources such as wind and solar. (EBRD Sub Sector Environmental & Social Guideline, 2014).

Within countries, automotive production and employment are typically clustered in one or a few industrial regions. In some cases these clusters specialize in specific aspects of the business, such as vehicle design, final assembly, or the manufacture of parts that share a common characteristic, such as electronic content or labor intensity. To sum up the complex economic geography of the automotive industry, that global integration has proceeded the farthest at the level of buyer-supplier relationships, especially between automakers and their largest suppliers (J. Sturgeon & Biesebroeck, 2010).

Production tends to be organized regionally or nationally, with bulky, heavy, and model-specific parts-production concentrated close to final assembly plants to assure timely delivery (for example, engines, transmission, seats and other interior parts), and lighter, more generic parts produced at a distance to take advantage of scale economies and low labor costs (for example, tires, batteries, wire harnesses). Vehicle development is concentrated in a few design centers. This pattern reveals the sensitivity to high levels of imports, especially of finished vehicles, in places where local lead firms are present, as they are the United States and Europe (J. Sturgeon & Biesebroeck, 2010). The willingness of governments to prop up or otherwise protect local automotive firms is comparable to industries such as agriculture, energy, steel, utilities, military equipment, and commercial aircraft (J. Sturgeon & Biesebroeck, 2010).

The organizations need to consider the HR function not as just an administrative service but as a strategic business partner. Companies should involve the human resources department in developing and implementing business and people strategies (Sheila, Paul, Richard, 2000).

2.11 HRM Functions as Applied to Car Assembly Enterprises in Ethiopia

Ethiopia, being one of the African countries, requires continuous improvement in agriculture, manufacturing and automobile sectors. In accomplishing the development on these sectors, the role of infrastructure is vital. The developments of the infrastructure in turn highly depend on the availability of various types of vehicles (cars, pickups, trucks etc...) construction machineries and agricultural equipment's. In addition, Ethiopia is one of the land – locked countries in Africa. It uses mainly Djibouti port, which is located about 1000 KM. from Addis Ababa for import and export of goods. The transportation of goods from Djibouti port to parts of Ethiopia and from various parts of the country to port is done using trucks. The condition of the automotive sector is increasing and it is playing a vital role in the national economy. Although the automotive sector is playing significant role, it is still at low level and many factors contributed for that, including Government regulations, Road conditions, Purchasing power of people, Lack of skilled manpower and capacity and Shortage of capital (Narasimha, Rejikumar, Sridhar, 2013).

It is observed that the present status of automobile industry in Ethiopia, the potential of the industry and the demand of automobile vehicles including their spare parts. Major decision to improve and enhance the operation of the automotive industry lies in the hands of Transport authority, which is believed to be staffed with under qualified personnel. Strengthening automotive industry is one of the ways to increase the growth of the national economy (Narasimha, Rejikumar, Sridhar, 2013).

Holland Car PLC, car assembly plant which is first of its kind in Ethiopia. Holland Car PLC is a joint venture company established in 2005 by Engineer Tadesse Tessema an Ethiopian national and owner of the Ethiopian company Ethio-Holland PLC from Addis Ababa, and a Dutch company Trento BV Engineering from Sittard. Initial capital of the company was 11,000,000.00 Birr, which is equally shared between the two partners, which is the first of its kind in Ethiopia. There is a separate section for filling air conditioner gas for newly assembled cars and maintenance as well as offices cafeteria, shower and locker rooms for the employees (Kindye Essa, 2011).

In line with this, Holland Car PLC has employed permanently over 250 people. But, currently Holland Car PLC shutdown the company with different reasons and most of employees are terminated their employment and transferred to another car assembling enterprises and other similar sectors in the country Ethiopia (Kindye Essa, 2011).

2.12 HRM Experience of Developed Countries in Car Assembly Enterprises

2.12.1 The Experience of Korea

The Korean automobile industry provides an interesting opportunity to examine the interrelationship between globalization of auto manufacturing, application of new technologies and management of human resources. The Korean auto industry has become one of the world's leading producers of lower priced vehicles, through a combination of efficient production, low labor costs, government support and capital investment conglomerates and effective export strategies (Lansbury, 2006). Furthermore, collective bargaining rights extended to unions and the employers faced unionized workforce (Woo, S. 1997).

Unions in the auto industry have been in the forefront of campaigns to improve wages and conditions of Korean workforce and undertaken major campaigns (Y.B. & Lee, H.S, 1997). During the 1990s it became increasingly common for Korean managers and engineers to visit Japan in order to benchmark their manufacturing practices against those of Toyota and other Japanese producers. The nature of the automotive production system can be separated into two distinct types – facility-oriented and labor-oriented production. The assembly shop relies heavily on the use of labor. In Korea, the Kia Motors with the improvement of work standardization and production balancing were closely related to labor intensification, which was strongly opposed by the trade union and workers (Lansbury, 2006). The work organization and practices at Kia Motors constituted a hybrid production system, which took some elements of the LPS found at Toyota using practices on the mass production. Kia Motors adopted specific elements of lean production prior to its full introduction. These areas included the stock control techniques, work standardization, on-job training, job rotation, multi-skilling, and kaizen. Kia Motors introduced a dual labor market to avoid the rapid increase in labor costs sought by the union (Lansbury, 2006).

To achieve greater flexibility, tasks were allocated to contract workers who were not union members, education and training of employees is undertaken largely through on-job training and off-the-job training. While on-job training increases the scope of a worker's horizontal skills, and it was mainly used as induction training for new recruits (Lansbury, 2006).

Off-job training increases the depth of horizontal skills, and it also provides ‘work morale’ education for workers and supervisors. It should be noted that top management at Hyundai was reshuffled to Kia Motors. The Hyundai-Kia group has since launched extensive business restructuring under the Chairman. In early 2001, the Hyundai-Kia group announced an ambitious plan to become the fifth largest global auto group 2010. The two unions have been relatively cooperative with their management’s decision of minor business reconfiguring, such as the re-allocation production lines and consolidation R&D centers (Lansbury, 2006).

2.12.2 The Experience of USA

In the U.S., automakers are competing for talent, and they have stepped up our efforts to find the best people. They are using social media more than ever in our recruiting efforts and virtual career fairs to expand their reach (Yang Yang, 2014). Ninety-five percent of the hourly employees in their automotive operations are covered by collective bargaining agreements and are represented by 39 different unions globally. In the United States, approximately 99 percent of these unionized hourly employees in their automotive sector are represented by the union. Most hourly employees and many non-management salaried employees of their subsidiaries outside the U.S. are also represented by unions. These unions are key partners with Ford in providing a safe, productive and respectful workplace (Yang Yang, 2014).

Ford Motor Company is one of the world's largest automotive companies. 1903 founded by Mr. Henry Ford in the U.S. Ford Motor Company employees are the driving force behind Ford’s success. Salaried employees also received bonuses under the Annual Incentive Compensation Plan. Ford Company has a compelling vision of building cars and trucks that deliver the very best in quality, safety, fuel efficiency and design. A skilled and motivated workforce is the essence of Ford – today and in the future (Yang Yang, 2014).

While they have many types of employees and work arrangements, all of their employees together create a skilled and motivated team aligned around their overall ONE Ford objectives. ONE Ford also provides consistent goals and expectations for employees – whether they work in the U.S., China or one of their other global locations – with a clear focus on the skills and behaviors they must demonstrate to accomplish their goals. All members of their global team are held accountable for incorporating ONE Ford into their daily work (Yang Yang, 2014).

2.12.3 The Experience of China

China has embarked on a new ‘Long March’, this time one of reform. In that year, Deng Xiaoping initiated the ‘Open Door’ and the ‘Four Modernizations’ policies (of agriculture, industry, defense, and science and technology) which took the PRC from a ‘command economy’ to a ‘socialist market’ one, albeit ‘with Chinese characteristics’ (Vogel, 2011). Most firms have developed the key area of HRM gradually, possibly urged by the necessity of practice or pressure from competitors. The state-owned enterprises (SOEs) that account for three quarters of Chinese investment overseas, possess complex ownership patterns, including central state-backed, local state invested and hybrid public–private forms (Goodman 2014).

2.12.4 The Experience of South Africa

South African Government adopted capability approach, which emphasizes the freedom of individuals to exercise social choices and choose what they value. The capability approach is the basis of modern methods of measuring human development (UNDP, 2010). Companies producing in South Africa can take advantage of the low production costs and the access to new markets as a result of trade agreements with the European Union and the Southern African Development Community. This reinvention reflects not only better industrial and work relations, but also a capacity to innovate, often through improvisation, given limited resources at play (Dibben and Wood, 2015).

As was the case with the former Australian and New Zealand motor industries, the industry was nurtured by protective tariffs. However, unlike the Australian motor industry, the South African motor industry never really developed indigenous design capabilities; almost all of the cars produced in South Africa have been to a lesser or greater extent. To a large extent, this was the product of a small domestic market; under apartheid, few other than a privileged white minority had the wherewithal to purchase new motor cars. Moreover, political isolation meant few opportunities for exports. This led to the emergence of an industry that was quite fragmented, 16 assemblers co-existing producers (Black and Mitchell, 2002).

2.12.5 The Experience of Japan

The Japanese automotive industry is part of the global automotive elite, a statement reinforced by the top quality, the imaginative design and the reliability of products. These facts helped Japan to increase the production volumes every year, over 70 years ago. Today, growth rate is smaller than before, Japan’s automotive industry is still in the big league (Vlad Cârstea, 2015).

Although the automobile production was rapidly increasing, the most common ways of transportation were scooters, motorcycles and very small cars. These cars were introduced and were basically small cars with a very small engine (Vlad Cârstea, 2015). As the ‘traditional’ Japanese HRM model is increasingly regarded to be in crisis and subject to major change. These traditional Japanese human resource practices emerged over a long period of time, and have been informed significantly by global historic and economic events. High growth allowed for a long-term mindset for business matters such as human resource management, which encouraged the development of practices such as emphasis on job security, career development and quality management systems (Dalton and Benson, 2002).

Japan’s unique human resource practices were regarded as central to the success of Japanese companies, and Western businesses were eager to learn and integrate Japan’s approach to human resource management (Sakikawa, Takashi, 2012). Toyota Motor Corporation has maintained a high profile in the HRM policies and strongly believed that human resource practices can serve as a model, particularly in manufacturing and production oriented organizations. Toyota management principles called “The Toyota Way”, as the first and foremost specific organizational culture is about respect to human capital and continuous improvement that has not changed since the company's founding. In Toyota’s needs more highly developed people and deeper trust than a mass-production system and identify and solve problems drives continuous improvement (A. Williams, 2007).

2.13 Conceptual Framework of Human Resource Practice



Figure 2.2 – Conceptual Framework (Source: Own drawing based on literature, 2018)

The research has trying to address human resource practices of talent acquisition (consists human resource planning, recruitment & selection, induction or orientation), talent retention (performance evaluation, training & development, career development & growth, safety health & sanitation, compensation & benefits, employer & labor relations); and talent exit management (consists of resignation, termination, exit interview, discuss issues with resign staffs, and then later give chance of employment for resigned staffs). Even if, the human resource has different functions the researcher are trying to address the practices over the above areas of HRM functions.

2.14 Empirical Review

A study by Simachew Amare (2014), entitled with human resource development practices and challenges in public sector: evidence from selected regional public bureaus in Tigray regional state, Ethiopia. The researcher has assessed the practice of human resource undertaken in the selected study areas. The study identified the key problems occurred in the course of they were ineffective in assessing training needs, lack of incentives and training, lack of human capacity to set targets, lack of objective performance criteria and lack of commitment, lack of sufficient budget, lack of technology, accepting modern technological changes, limited emphasis to personal and professional development, promoting positive work environment, lack of positive workforce attitude, inadequate training, attracting and retaining qualified personnel and lack of good merit system.

Simachew Amare (2014) give recommendation of HRD should also focus on individuals and satisfying their needs for career development. At the first place, HRD is not all about providing training rather than it should aimed at matching the organizational need for HR with the individual needs for career development. Secondly, HRD must necessarily focus on individuals since all the strength of teams and the bureaus must first embed into individual employee. To overcome the challenges of HRD there is a need for skilled man power, financial resources; differentiate high and low performers by using performance criteria like quantity, quality, timeliness and budget spend on doing a job. Thus, need to update its employees' skills and knowledge through training and education to cope with technological advancement and competitive environment and to achieve stated short and long term goals.

A study by Shiferaw Dibaba (2013), entitled with assessment of the human resource management practices in Ethiopian Public Health Association (EPHA), Ethiopia. The researcher has assessed the practice of human resource undertaken in the selected study areas.

The study identified the key problems occurred have to be proactive to constantly engage employees at all levels and should examine the behavior and performance of the employees. Thus, the organization needs to take into consideration the job satisfaction and apply appropriate HRM practices in the workplace to minimize turnover, improve performance appraisal system and reward management system is required in order to have necessary competencies to perform well. There is a need to expand the human resource professional knowledge and competencies for the effective management of HR. There is also a need to increase the pool of competent human resource professionals. HR managers needs to be trained and enabled to have real input into operational and strategic decisions about HRM. HR professionals can develop the HR practices on the bases of how employees can attain their service targets in the organizations.

Shiferaw Dibaba (2013) recommends that review the existing HR manual, policies and regulations update and relevant to the current situation, HR should be trained to update themselves, managers and supervisors need to develop comeptenices that will enable them to perform the HRM practices and functions effectively and efficiently, identify & analyze cause of employees turnover & designing practical retention mechanism s is one of the major competencies required of HR managers and top level managers, take some measures to improve HR practices and these measures should be continued, develop capacity building program for employees & short term training locally and abroad should be undertaken based on the need assessment, should create good working environment and encourage employees through the application of different incentive mechanisms both financially and non-financially to achieve organizational goals.

A study by Amare Werku (2015), entitled with the effect of selected human resource management practices on employees' job satisfaction in Ethiopian public banks, Ethiopia. The researcher has assessed the practice of human resource undertaken in the selected study areas. The study identified the key problems occurred have to the overall goal and objectives of the companies would be achieved if and only if employees are satisfied with the job, this will be achieved through by each HRM practices in the company should be a source for employees satisfaction and then employees will be loyal and willing to stay in that organizations because, job satisfaction of employees will reduce absenteeism and turn over intentions in the sector. Moreover, the need and expectations of employees' also play a vital role in increasing employees' satisfaction through by implementing two way communications and then by continually evaluating the human resource management practices of the companies as well.

Amare Werku (2015) recommends that company should revise and make an adjustment on certain rules and procedures that hinders the employees not to perform with their maximum effort since it has an effect on employees' level of satisfaction. It is recommended that the management of respective companies should be able to increase the level of commitment in companies by increasing satisfaction with the specified HRM practices. Each companies has to create a link between the recruitment and selection practices and employees job satisfaction by preparing job descriptions and specifications; deciding terms and conditions of employment; reviewing and evaluating alternative sources of applicants, inside and outside the companies and should take other necessary measurements as well.

A study by Girum Berhanu (2014), entitled with the human resources management practice in selected civil service bureaus of Addis Ababa city government, Ethiopia. The researcher has assessed the practice of human resource undertaken in the selected study areas. The study identified the key problems occurred have promotion, and reward system did not perform as expected, because of resource shortage, lack of capacity and awareness, and loose linkage between performance and reward, there exists inadequacy of training, unequal access for training and improper need assessment, the working environment is not fully conducive, follow-up and linkage between reward and performances are also weak, the uniform salary scale did not allow some sectors to attract various skilled professionals and it was not fully enhancing service delivery.

Girum Berhanu (2014) recommends that overcome the problems that occur in the execution of the policy, there is a need for skilled human and financial resources, searching a means to differentiate high and low performers by using performance criteria like quantity, quality, timeliness and budget spent on doing a job, conducting on the job and of the job training at each managerial and government level using a selection criteria, creating strong link between performance and reward, implementations of non-monetary incentive such as recommendation letter is also essential, making the performance assessment system more open and carrying out continuous follow up, strengthening the monitoring and evaluation, improving the reward system in the civil service is a basic requirement to attract and retain qualified staffs. Reward system is one of the components of human resources management sub-program which has not yet practical.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter is essential part of the investigating the research problems to analyses the impact of implementing human resource management functions in Car Assembling Factories in Addis Ababa, Ethiopia. The research used a descriptive design; and both qualitative and quantitative approach of data collection. The methodology consists of the research method, research type approach, sampling (sample design, target population, the context and units of analysis, sampling size, and sampling method), sources of data from primary and secondary, data collection method, variables and measurement/measures, methods of data analysis, reliability and evidence of the instrument, and ethical consideration.

3.2 Research Design

Accordingly to Charles Stangor (2011), a research design is the specific method a researcher uses to collect, analyzes, and interprets data. This study used descriptive method of research methodology to answer the questions addressed in survey questionnaire, interview and focused group discussion. The questionnaire addressed human resource management functions on organizational success of Addis Ababa Car Assembling Enterprises. Using descriptive statistics method, the researcher was collect, analyze and summarize the data that was collected from the respondents. The study was used both quantitative and qualitative techniques of data collecting methods. The quantitative technique involves a questionnaires survey of rate of respondents. The qualitative techniques involves through interview and focused group discussion provided to respondents. The data collected from the questionnaire used five stages of Likert scale approaches by leveling from 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree. The Likert scale helped the researcher to investigate level of respondent's difference of testing level of satisfactions addressed at questionnaire.

3.3 Research Approach

Accordingly Kothari (2004), research types are categorized in to descriptive and analytical research. Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. Mostly used for descriptive studies in which the researcher seeks to measure such items as, for example, frequency, preferences, or similar data of respondents (Kothari, 2004). This study used a descriptive research type that was addressed to answer the question raised through questionnaire and interviews.

The researcher used descriptive studies to provide possible solutions for the car assembling enterprises in related to implementing of human resource management functions. The researcher believes that the sustainable development of an industry is directly relates to energy and motivation level of human assets, as the operation of all materials, machineries and equipments operates and guides by humans.

3.4 Sampling

According to Charles Stangor (2011), Sampling refers to the selection of people to participate in a research project, usually with the goal of being able to use these people to make inferences about a larger group of individuals. This study used take more respondents opinion and attitudes towards the impact of implementing human resource management functions on organization success in Addis Ababa Car Assembling Enterprises. The more the respondents was leads more accurate and reliable responses.

3.4.1 Sample Design

According to Kothari (2004), the sampling design which deals with the method of selecting items to be observed for the given study. The sampling design for this thesis was held with descriptive research of probability sampling methods of random sampling method through questionnaire to assess the equal chance of opportunities for staffs to have their attitudes and truth of human resource practices and non-probability sampling methods of purposive sampling method of deliberately selected human resource teams and managements for interview and staffs for focused group discussion.

3.4.2 Target population, the context and units of analysis

The entire group of people that the researcher desires to learn about is known as the population (Charles Stangor, 2011). The target population was Addis Ababa Car Assembling Enterprises which consists of four companies named AMCE, Abay Technic & Trading S.C., Lifan Motors PLC, and Belayab Motors PLC. The population becomes 680 workers.

3.4.3 Sampling Size

According to Kothari (2004), an optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility. Malhorta & Naresh (2007) stated that for population from 501 to 1200 the recommended minimum sample is to be 30% of total population. Therefore, the research composed of 30% of respondents for Addis Ababa Car Assembling Enterprises. This proposal was covered the following list of enterprises.

No	INDUSTRY DESCRIPTION	Total Population of Company	Selected Sample Size for		Remark
			Questionnaire 30%	Interview for HR Team	
1.	AMCE	150	45	5	
2.	Abay Technic & Trading PLC	110	33	5	
3.	Lifan Motors PLC	170	51	5	
4.	Belayab Motors PLC	250	75	5	
Total Population		680	204	20	

Table 3.1: Sample Size

From the above table, the selected four automotive assembling enterprises from population the researcher used 30% of total population was selected as respondents through questionnaire and from which 5 respondents are selected for interview from human resource teams and managements, which indicates total of 30% of populations. In general, the sample was taken to the interview and questionnaire was inferred to the total population which was inferred to investigate the impacts of implementing human resource management functions in Addis Ababa Car Assembling Enterprises. From total population of 680 workers data was collected from 204 respondents using questionnaire and 20 respondents using interview was selected for sample, which indicates 30% of population.

3.4.4 Sampling Method

According to Kothari (2004), random sampling (or simple random sampling) gives each element in the population an equal probability of getting into the sample; and all choices are independent of one another, and it gives each possible sample combination an equal probability of being chosen. For, this study simple random sampling is selected from different probability sampling styles to give an equal chance of being selected from population. Interview is also taken from human resource teams and managements that help the researcher to find out more reliable and truth results by correlate findings of staffs and managements relations and understandings to achieve organizational success. To investigate this study will applies both open-ended and closed-ended response format questions of questionnaire and interview. The format includes Likert scale level of measurement which is designed for subjectively requirement questions in terms of interval scaling.

3.5 Sources of Data

The research information's are collected from both primary and secondary source of data. Primary data sources: obtained information from respondents through survey questionnaire, interview, and focused group discussion. The potential respondents were selected from Addis Ababa Car Assembling Enterprises. Secondary data sources: was collected from Ethiopian Ministry of Industry, document review from enterprises, brochures' & blue-prints, magazines, reports, human resource records, internet source and other different published materials for review of literature presentation and interpretation of analysis.

3.6 Data Collection Method

The data was collected through primary data source (survey questionnaire, interview and focused group discussion) and secondary data source (books, internet and other references) were grouped, analyzed and reported using description (notes), graphic representation, percentage of statistics, ratio and ranking methods in statement format, tables, figures and representing formats, summary of findings, conclusion and recommendations. The summary of findings and interpretations were analyzed using SPSS version 22.1, and reference materials, appendix parts and other necessary document was attached at the end of the paper.

3.7 Variables and Measurement/Measures

Demographic characteristics was summarized using frequencies and percentages for all variables including; age, sex, work experience, years of experience and qualification compositions; and questions in related to the impacts of implementing human resource management functions in organizational success in Addis Ababa Car Assembling Enterprises was analyzed and presented in the form of charts, diagrams and tables using SPSS version 22.1

3.8 Methods of Data Analysis

The data that was collected through primary data source (survey questionnaire, interview and focused group discussion) and secondary data source (books, internet and other references) was grouped, analyzed using SPSS version 22.1, reported using description (notes), graphic representation, percentage of statistics, ratio and ranking methods in statement, tables, figures; and summarization, conclusion and recommendations. The findings and interpretations was analyzed with relating to the questionnaires, interview and focused grouped discussions with related references; and this are attached at the end of the research paper as appendixes.

3.9 Reliability and Validity of the Instruments

To maximize the reliability of data collected the percentage of sampling was increased, and increase the collectability of data's was 100% of respondents from survey questionnaire, interview and focused group discussions. The validity of the questions was checked using SPSS version 22.1 and spreadsheet. The statistical computer programs was used to calculate coefficient alpha (α) as recommended by (Charles Stangor, 2011). The pilot test of this study was evaluated based on the response with experts and advisor was corrected and adjusted the mistakes. The final approved survey questionnaire, interview and focused group discussion was distributed and collected.

3.10 Ethical Consideration

The proposal was submitted to Department of Industrial Management of Addis Ababa Science and Technology University to the college of Natural and Social Science. The study was conducted with gathering related information from respondents using survey questionnaire, interview and focused group discussions the name of respondents was not be identified by the researcher hence it is not subjected to apply for any harm as far as the confidentiality was remain and kept between respondents and researcher. During collecting of data's through questionnaire and interview name of respondents not be mentioned.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter discusses the qualitative and quantitative data collected from the Belayab Motors, Lifan Motors, AMCE and Abay Technic respondents using instruments such as structured questionnaire, structured interview responses from human resource teams, managements, staffs and representatives with focused group discussion, secondary data selected document review from these enterprises. The collected qualitative and quantitative data was analyzed and interpreted using simple descriptive statistics SPSS version 22.1 Software and Ms-Excel was used to summarize findings, and similarly, the data was displayed with tables of frequency and percentages. Lastly, the data was interpreted and based on the results of findings.

4.2 Respondents of Survey Questionnaire, Interview and Focused Group Discussion

Table 4.1 – Gender and Age Range of Respondents

S. No.	Demographic Characteristics of Respondents		Belayab Motors		Abay Technic & Sales		Lifan Motors		AMCE	
			Frequency	%	Frequency	%	Frequency	%	Frequency	%
1.	Gender of Respondent	Male	63	84	29	87.9	46	90.2	43	95.6
		Female	12	16	4	12.1	5	9.8	2	4.4
2.	Age Range of Respondents from	18-30	45	60	6	18.2	27	52.9	27	60
		31-40	18	24	16	48.5	14	27.5	11	24.4
		41-50	8	10.7	7	21.2	5	9.8	3	6.7
		51-60	4	5.3	4	12.1	5	9.8	4	8.9
Total			75	100	33	100	51	100	45	100

Source: Own Survey 2018

Concerning gender of respondents among respondents 29(87.9%) of male and 4(12.1%) of female from Abay Technic; 63(84%) of male and 16% of female from Belayab Motors; 46(90.2%) of male and 5(9.8%) of female from Lifan Motors; 43(95.6%) of male and 2(4.4%) of female from AMCE. Regarding the age range of respondents 51.5% are between 18 to 30, 28.9% are between ages 31 to 40, 11.3% are between age 41 to 51, and 8.3% of respondents are from age 51 to 60 years. From the above statistics of respondents young generation has productivity factors on success of the organization productivity even for young enterprises of Lifan and Belayab Motors as both are established since the last ten years, and the experienced enterprises AMCE and Abay Technic have >40 years of existence on sector of automotive.

Table 4.2 – Educational Background and Service Year of Respondents

S. No.	Demographic Characteristics of Respondents		Belayab Motors		Abay Technic & Sales		Lifan Motors		AMCE	
			Frequency	%	Frequency	%	Frequency	%	Frequency	%
1.	Educational Background of Respondents	Degree	41	54.7	5	15.2	11	21.6	5	11.1
		Diploma	29	38.7	18	54.5	27	52.9	23	51.1
		Certificate	4	5.3	9	27.3	10	19.6	7	15.6
		Academic	1	1.3	1	3	3	5.9	10	22.2
2.	Service Year of Respondents	<1	11	14.7	2	6.1	9	17.6	10	22.2
		1-3	35	46.7	4	12.1	14	27.5	14	31.1
		3-5	15	20	12	36.4	18	35.3	9	20
		>5	14	18.6	15	45.5	10	19.6	12	26.7
Total			75	100	33	100	51	100	45	100

Source: Own Survey 2018

The educational background of respondents 62(30.4%) of respondents are professionals with B.A. Degree, 97(47.5%) of respondents are semi-professionals or diploma holders, 30(14.7%) of respondents have technical school certificate and 15(7.4%) of respondents had elementary and high school graduates. Based on the above data 159(77.9%) have a college degree and will capable to understand the HRM functions within the enterprises, and to contribute to the success of the organization. Regarding service year of respondents, 32(15.7%) of respondents have less than one year experience, 67(32.8%) of respondents have from 1 to 3 years experience, 54(26.5%) of respondents have 3 to 5 years of experience, and 51(25%) of respondents have above 5 years of experiences. This show that majority of respondents have assembled work experience to do their job properly.

Table 4.3 – Utilization of Human Talent

Human resource practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The practice of utilization of human talents in car assembling have brought sustainable (long term) development in Ethiopia	Belayab Motors	4	5.3	9	12	13	17.3	39	52	10	13.3
	Abay Technic & Sales	9	27.3	17	51.5	2	6.1	4	12.1	1	3
	Lifan Motors	4	5.3	11	21.6	6	11.8	26	51	4	7.8
	AMCE	5	11.1	8	17.8	5	11.1	20	44.4	7	15.6
	Total	22	12.3	45	25.7	26	11.6	89	39.9	22	9.9

Source: Own Survey 2018

Regarding good practice of human talents in car assembling have brought sustainable (long term) development in Ethiopia 22(12.3%) of respondents are strongly disagree, 45(25.7%) of respondents are disagree, 89(39.9%) of respondents are agree and 22(9.9%) of respondents are strongly agree. This show 111(49.8%) of respondents are supported with the sustainable development by the establishment of car assembling enterprises has growing impacts on talent developments on automotive sector developments, but the increasing nature is not dynamic as compared to the developed countries robotic and advanced technology applications to the sector. To effectively utilization of human talents the synergy must be developed and revised at each month to improve and even to resolve the challenge faced by the enterprises. The enterprises are trying to diversify the scopes with different alternative projects and parallel imports with different model cars, and provides. Abay Technic has senior experiences on after-sales service and maintenance, it starts the assembling of Foton model cars using existing staffs, and some of the existing staffs are not have skill of assembling and they lacks basic education in technical areas.

Table 4.4 – Company uses skilled manpower of other assembling companies

Human resource practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The car assembling company uses skilled manpower of other assembling companies	Belayab Motors	4	5.3	8	10.7	17	22.7	31	41.3	15	20
	Abay Technic & Sales	4	12.1	22	66.7	1	3	5	15.2	1	3
	Lifan Motors	2	3.9	9	17.6	12	23.5	21	41.2	7	13.7
	AMCE	8	17.8	13	28.9	4	8.9	15	33.3	5	11.1
	Total	18	9.8	52	31.0	34	14.5	72	32.8	28	12.0

Source: Own Survey 2018

Concerning the car assembling company uses skilled manpower of other assembling companies, 18(9.8%) of respondents are strongly disagree, 52(31%) of respondents are disagree, 72(32.8%) of respondents are agree and 28(12%) of respondents are strongly agree. This shows, Abay Technic 26(78.8%) of respondents are disagree and strongly disagrees that the enterprise is using external staffs, the enterprise is using internal aftersales service and maintenance experienced staffs with combination of fresh graduate students for assembling lines of vehicles; 46(61.3%) of Belayab Motors respondents are agree and strongly agree that

the enterprise has recruiting experienced staffs from similar assembling enterprises as well as the company has good trends of employing new trainee staffs of fresh graduates from TVET and universities. AMCE, 21(46.7%) of respondents are disagree and strongly disagree that the enterprise is using external staffs, the enterprises have senior experience of assembling of heavy duty truck with model of IVECO, this staffs have experienced trends using direct experience from Italians.

Table 4.5 – Practice of HRM Policies

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company uses human resource management policies as a guide to address issues of employees	Belayab Motors	5	6.7	12	16	16	21.3	31	41.3	11	14.7
	Abay Technic & Sales	4	12.1	7	21.2	2	6.1	17	51.5	3	9.1
	Lifan Motors	5	9.8	13	25.5	6	11.8	19	37.3	8	15.7
	AMCE	6	13.3	6	13.3	2	4.4	22	48.9	9	20
	Total	20	10.5	38	19.0	26	10.9	89	44.8	31	14.9

Source: Own Survey 2018

Regarding the company uses human resource management policies as a guide to address issues of employees, 20(10.5%) of respondents are strongly disagree, 38(19%) of respondents are disagree, 89(44.8%) of respondents are agree and 31(14.9%) of respondents are strongly agree.

This show from interview and focused group discussion that each of enterprises have human resource management policies used as a guide to address issues of employees, staffs of the enterprises are communicated the policy at time of employment using induction program, and the detail of duties and responsibilities not well communicated except the case of AMCE, at AMCE there is good labor union relations between management and staffs, AMCE has collective agreements with staffs and all staffs are communicated the policies with the copy of collective agreement for their basic duties and responsibilities. In order to reduce challenges observed by the enterprises the company has to implement the existing HRM policies properly, because the policy encompasses different benefits for both employees and the company.

The policy needs to add some quantitative measurement of manpower rather than being objectives and this fair measurement of employee performance to stay competitive in the automotive assembling enterprises. AMCE has one human resource administrators due to lack of enough human resource department staffs the enterprises is well implementing HRM functions, the nature of human needs HRM department has to investigate periodical review of implementation of HRM functions, but it is not yet implemented in AMCE. Abay technic, HRM department has implementing the policy, but it's not well revised the HRM function implementation as per the need and demand of staffs, indicated at the respondent's response.

Assessment from interview and focused group discussion conforms that the satisfaction of respondents are decreased due to the department is not yet periodically prepare and communicate human resource administration policy with defined objectives. HRM department has consists of few manpower with high duties. HRM department consists with strong implementation of organizational structure, work on change management, the organizational structure affects the implementation of HRM functions, the company has to give full responsibilities and autonomous empowered top and middle level managers to administer and control company resources.

Belayab Motors has hierarchical structured with performance based with highly level of hierarchical development and flexibility of being improved with volume of work increases, the pyramid shaped of the hierarchical leads effective ladder for management communication and commitments towards achieving the targeted organizational objectives. There is no equal distribution of human power assignment in all areas of the sector, absence of job classification and demarcation between similar positions in case of more than one staff assigned at similar position, the enterprises has to apply scientific management policy (provide promotion, incentives, training and salary increments), and it has to compare the labor cost assignments as compared with other African countries.

HRM department is not composed of enough manpower, this leads to lacks to effective implementation of HRM functions, Belayab Motors at branch level HRM is worked and role by finance people's, and Lifan Motors has implementing HRM functions with branch technical managers, there is no respective human resource representative. This creates prioritization and detail focus to other functional activities rather implementation of human resource management functions.

Table 4.6 – Practice of HRM Planning

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company has practicing periodical human resource management planning	Belayab Motors	3	4	17	22.7	14	18.7	32	42.7	9	12
	Abay Technic & Sales	2	6.1	17	51.5	2	6.1	10	30.3	2	6.1
	Lifan Motors	9	17.6	18	35.3	6	11.8	15	29.4	3	5.9
	AMCE	9	20	9	20	4	8.9	20	44.4	3	6.7
	Total	23	11.9	61	32.4	26	11.4	77	36.7	17	7.7

Source: Own Survey 2018

Concerning the enterprises have periodical human resource management planning, 23(11.9%) of respondents are strongly disagree, 61(32.4%) of respondents are disagree, 77(36.7%) of respondents are agree and 17(7.7%) of respondents are strongly agree. This show from interview and focused group discussion that there is periodical human resource management planning, but not yet, well communicated to staffs through meeting, notice board and using other media's staffs to be aware of what is doing in HRM department.

Table 4.7 – Practice of database management

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company has implementing database management to effective monitoring of human resource	Belayab Motors	8	10.7	11	14.7	23	30.7	28	37.3	5	6.7
	Abay Technic & Sales	5	15.2	20	60.6	2	6.1	4	12.1	2	6.1
	Lifan Motors	3	5.9	7	13.7	11	21.6	20	39.2	10	19.6
	AMCE	6	13.3	6	13.3	4	8.9	22	48.9	7	15.6
	Total	22	11.3	44	25.6	40	16.8	74	34.4	24	12.0

Source: Own Survey 2018

Concerning the company has implementing database management to effective monitoring of human resource, 22(11.3%) of respondents are strongly disagree, 44(25.6%) of respondents are disagree, 74(34.4%) of respondents are agree and 24(12%) of respondents are strongly agree. This result confirmed from the survey questionnaire, interview and focused group discussion that Belayab Motors, Abay Technic and Lifan Motors has employment database at Ms-Excel sheet and hardcopy personal filing systems are implemented for providing staffs issues, whereas AMCE has implementing payroll based software's and attendance bases punching system of software's for controlling and directing of staffs presence and services.

Table 4.8 – Practice of salary scale & different HR packages

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company revises the salary scales, and different human resource packages periodically	Belayab Motors	12	16	23	30.7	17	22.7	16	21.3	7	9.3
	Abay Technic & Sales	6	18.2	16	48.5	3	9.1	6	18.2	2	6.1
	Lifan Motors	6	11.8	12	23.5	8	15.7	20	39.2	5	9.8
	AMCE	6	13.3	5	11.1	4	8.9	20	44.4	10	22.2
	Total	30	14.8	56	28.5	32	14.1	62	30.8	24	11.9

Source: Own Survey 2018

In the case of the company revises the salary scales, and different human resource packages periodically 30(14.8%) of respondents are strongly disagree, 56(28.5%) of respondents are disagree, 62(30.8%) of respondents are agree and 24(11.9%) of respondents are strongly agree. The result from interview and group discussion has confirmed that Belayab Motors, Lifan Motors and AMCE has giving salary scale increments at end of each period year based on performance results, whereas at Abay Technic salary scale increment given to all employees which across the board as there isn't yearly performance based evaluation systems. Due to the increasing demand of the automotive sector, there is a high demand for qualified staff.

But, there is high staff turnover, and competitors provide high salary to acquire the staffs at any of costs. Doing periodical market assessment from similar companies, adjustment by all aspects like salary & other incentives to initiate employees will improves the performance of the company and reduce the turnover of the workers.

The payment of Lifan Motors is under the performance result of staffs, by this case the employees are not developed as their performances. Incapability of cope-upping balanced salary payment with the current increment of national expenses, salary scale should be improved to compete with other companies. At Belayab Motors, there is different salary payment strategies between supportive and core process of the enterprises, and there should be fair salary scale payments.

Assessment from interview and group discussion indicates that there is low top management concern about their subordinate staffs and scarcity of communications about the flow of works with other department, there is lack of handling employees to satisfy their needs. There are motivational factors for few positions of management staffs they are paid of profit contribution and some supervisors are paid for position allowances. The enterprises has to establish good communication line between peers, teams and within the enterprise, and work nearly with their employees by giving positive answers (responses) for the questions asked from employees. At Belayab Motors, there is free lunch service at cafeteria of each branch, and there is frequently providing promotion to staffs to retain and motivate to their performance, there is outstanding performer manuals annual based evaluated.

Table 4.9 – Practice of equal employment opportunities

Human Resource Practices	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company provides equal employment opportunities during selection process; adverties publicly, and select candidates with assigned committees	Belayab Motors	7	9.3	19	25.3	15	20	24	32	10	13.3
	Abay Technic & Sales	1	3	17	51.5	2	6.1	11	33.3	2	6.1
	Lifan Motors	1	2	6	11.8	5	9.8	23	45.1	16	31.4
	AMCE	8	17.8	15	33.3	3	6.7	13	28.9	6	13.3
	Total	17	8.0	57	30.5	25	10.7	71	34.8	34	16.0

Source: Own Survey 2018

Regarding the company provides equal employment opportunities during selection process; adverties publicly, and select candidates with assigned committees 17(8%) of respondents are strongly disagree, 57(30.5%) of respondents are disagree, 71(34.8%) of respondents are agree and 34(16%) of respondents are strongly agree.

The result from interview and group discussion indicates that Belayab Motors and Abay Technic has experiences of selection and recruitment processes by posting vacant position at internal and external mediums to provide equal chance of short listing candidates, both applicants have equal chance of being employed, at Abay Technic recommendations of waiver recruitment has great credit and HRM also asks for recommendations from senior staffs at assembling and after-sales employments; and Lifan and AMCE give priority for internal staffs to assign at position bases at promotion and lateral transfer, both enterprises most of time uses selection and recruitment at junior and trainee level of employment, at AMCE middle management assignment is not practical using method of recruitment and selection processes, here middle level managers are assigned by top management recommendations.

Table 4.10 – Practice of Recruitment Service

Human Resource Practices	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company give recruitments service based on Ethiopian labor laws	Belayab Motors	7	9.3	15	20	7	9.3	28	37.3	18	24
	Abay Technic & Sales	2	6.1	5	15.2	0	0	21	63.6	5	15.2
	Lifan Motors	4	7.8	6	11.8	7	13.7	23	45.1	11	21.6
	AMCE	5	11.1	5	11.1	4	8.9	20	44.4	11	24.4
	Total	18	8.6	31	14.5	18	8.0	92	47.6	45	21.3

Source: Own Survey 2018

The other basic issues of the company give recruitments service based on Ethiopian labor laws, 18(8.6%) of respondents are strongly disagree, 31(14.5%) of respondents are disagree, 92(47.6%) of respondents are agree and 45(21.3%) of respondents are strongly agree. This show 137(68.9%) of respondents have confidences that the company is employed bases to Ethiopian labor laws, this laws 377/96 has binding for duties and responsibilities that has obligations to Enterprises and employees.

As challenge observed by respondents during focused group discussion and interview is there is top management interventions during selection and recruitment processes, for few positions there is not following the beginning salary scale and not following all necessary process during some recruitment, the HRM department has challenges to rewrite technical skills to professional selection criteria's, there is probability of hiring employees that don't match with the job they are assigned. To come-up such type of challenges human resource management rules should govern all steps of recruitment, and avoid intervention during recruitment process.

Table 4.11 – Practice of respects the dignity, believes and values of staffs

Human Resource Practices	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company respects the dignity, religions, ethnicity, believes and values of the staffs	Belayab Motors	1	1.3	9	12	16	21.3	35	46.7	14	18.7
	Abay Technic & Sales	2	6.1	6	18.2	1	3	21	63.6	3	9.1
	Lifan Motors	1	2	5	9.8	5	9.8	25	49	15	29.4
	AMCE	4	8.9	4	8.9	6	13.3	24	53.3	7	15.6
	Total	8	4.6	24	12.2	28	11.9	105	53.2	39	18.2

Source: Own Survey 2018

It's essential that company give respects to the dignity, religions, ethnicity, believes and values of the staffs, 8(4.6%) of respondents are strongly disagree, 24(12.2%) of respondents are disagree, 105(53.3%) of respondents are agree and 39(18.2%) of respondents are strongly agree. This show 144(71.5%) of respondents are agrees that enterprises have giving respects for all staffs regarding to their dignity, religions, and ethnicity, believes and values of staffs.

Table 4.12 – Practice of Induction Programs

Human Resource Practices	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company provides detail induction programs for staffs; using training and other capacity development schemes	Belayab Motors	7	9.3	19	25.3	15	20	24	32	10	13.3
	Abay Technic & Sales	4	12.1	12	36.4	2	6.1	12	36.4	3	9.1
	Lifan Motors	9	17.6	17	33.3	5	9.8	13	25.5	7	13.7
	AMCE	11	24.4	22	48.9	5	11.1	6	13.3	1	2.2
	Total	31	15.9	70	36.0	27	11.8	55	26.8	21	9.6

Source: Own Survey 2018

Concerning the company provides detail induction programs for staffs; using training and other capacity development schemes, 31(15.9%) of respondents are strongly disagree, 70(36%) of respondents are disagree, 55(26.8%) of respondents are agree and 21(9.6%) of respondents are strongly agree. Results of finding represents 101(51.9%) of respondents indicates that enterprises are using similar trends of providing induction program for half days by human resource department and respective immediate section, and new staffs are assigned and start works immediately for 45 days of probation period. This shows the induction program given at these enterprises are not enough for briefing of automotive sectors and from the nature of having different branding of automotive models and types of products; and the enterprises has to develop week and above period of time for induction.

Table 4.13 – Practices of training and development

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company has training & development plan & budgets for each budget years	Belayab Motors	6	8	12	16	17	22.7	31	41.3	9	12
	Abay Technic & Sales	5	15.2	21	63.6	2	6.1	3	9.1	2	6.1
	Lifan Motors	6	11.8	17	33.3	5	9.8	17	33.3	6	11.8
	AMCE	3	6.7	14	31.1	1	2.2	22	48.9	5	11.1
	Total	20	10.4	64	36.0	25	10.2	73	33.2	22	10.3
The company gives need based training & developments for staffs	Belayab Motors	8	10.7	17	22.7	14	18.7	30	40	6	8
	Abay Technic & Sales	5	15.2	21	63.6	2	6.1	4	12.1	1	3
	Lifan Motors	7	13.7	16	31.4	7	13.7	17	33.3	4	7.8
	AMCE	6	13.3	29	64.4	7	15.6	7	15.6	3	6.7
	Total	26	13.2	83	45.5	30	13.5	58	25.3	14	6.4

Source: Own Survey 2018

Concerning the company has training & development plan & budgets for each budget years, accordingly 20(10.4%) of respondents are strongly disagree, 64(36%) of respondents are disagree, 73(33.2%) of respondents are agree and 22(10.3%) of respondents are strongly agree. Despite the company gives need based training & developments for staffs, 26(13.2%) of respondents are strongly disagree, 83(45.5%) of respondents are disagree, 58(25.3%) of respondents are agree and 14(6.4%) of respondents are strongly agree.

From interview and focused group discussion there is a recognizing efforts at Belayab Motors, Lifan Motors and AMCE that are giving training and developments, whereas Abay Technic is not providing a training and development services to staffs except from on job briefing from expertise's of senior staffs, and on job training during assembling of new models car, and training is giving as mandatory bases related to annual car inspections. Lifan motors provide training bases to new line assembling of different model cars and on job training given by Chinese expertises.

In addition, AMCE provide training to staffs during assembling and import of different model of cars, it creates good relations with technical schools and training centers, and Italians are coming to brief new features of truck model IVECO with on job briefing, training, and give also foreign bases on site briefing at Italy; and Belayab Motors have good experiences on training and development programs provides to staffs of assembling lines workers and managements at supply chains, give training for assembling line briefing, and after-sales service and maintenance at foreign country of China, South Korea, Dubai, Egypt, and Europe.

Belayab Motors also give collaboration training with Addis Ababa University in case of IFRS implementation and assessment of valuation, and create university linkages with Adama Science & Technology University for effective transition of technology transfer and to give employment opportunities for students for university. Having technical knowledge's and experience is mandatory to areas of assembling lines, low productivity because of lack of knowledge of training disciplinary issues, the enterprises has to give training for assembling lines staffs at foreign countries.

Groups at discussion were have thought to the HRM department has to develop psychological knowledge's about the workers skills and energies, has to develop training and development plans, has to implement updates programs in short ways by any means of mediums, proper training should be provided according demand of employees. By giving training to employees even at foreign suppliers and manufacturers technology is being transferred and manufacturers also gives on job training at assembling lines, and in line with the achievement of organizational objectives.

Table 4.14 – Practice of performance evaluation

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company has performance evaluation criteria's communicated to staffs at beginning of year	Belayab Motors	7	9.3	12	16	15	20	32	42.7	9	12
	Abay Technic & Sales	1	3	6	18.2	1	3	20	60.6	5	15.2
	Lifan Motors	1	2	3	5.9	3	5.9	31	60.8	13	25.5
	AMCE	12	26.7	25	55.6	0	0	7	15.6	1	2.2
	Total	21	10.3	46	23.9	19	7.2	90	44.9	28	13.7
The company regularly conducts performance evaluations of staffs; & give rewards according to merit	Belayab Motors	5	6.7	19	25.3	14	18.7	30	40	7	9.3
	Abay Technic & Sales	1	3	5	15.2	0	0	21	63.6	6	18.2
	Lifan Motors	3	5.9	4	7.8	4	7.8	27	52.9	13	25.5
	AMCE	14	31.1	28	62.2	0	0	2	4.4	1	2.2
	Total	23	11.7	56	27.6	18	6.6	80	40.2	27	13.8

Source: Own Survey 2018

Concerning the company has performance evaluation criteria's which is communicated to each staffs at beginning of the year, 21(10.3%) of respondents are strongly disagree, 46(23.9%) of respondents are disagree, 90(44.9%) of respondents are agree and 28(13.7%) of respondents are strongly agree. The interview shows there is performance evaluation taken at Belayab Motors at annual based, at Abay Technic performance evaluation is taken within six month period of duration, at Lifan Motors performance evaluation is taken at monthly bases, whereas there is no performance evaluation system at AMCE which proved by 37(82.3%) of respondents.

Regarding the company regularly conducts performance evaluations of staffs; & give rewards according to merit, 23(11.7%) of respondents are strongly disagree, 56(27.6%) of respondents are disagree, 80(40.2%) of respondents are agree and 27(13.8%) of respondents are strongly agree.

This show that 37(49.3%) respondents and results from the interview and focused group discussion indicated that Belayab Motors has performance evaluation used for annual salary increment, for decision making during promotion and transfer, and bonus are given proportion to staffs performance; Abay Technic uses performance evaluation to calculate performance of the enterprises; Lifan Motors measures performance of staffs bases at each month, whereas AMCE gives similar amount of incentives for all staffs (across the board), because of there is not performance evaluation mechanisms. From this result there should be weekly based meeting that evaluate employees performance on productivity towards achievement of organizational goals, continuous assessment carryout with next action plan.

Lifan Motors respondents are agreed that enterprise are evaluated performance at monthly bases and based on it's productivity level of standards incentives will given to assembling line staffs, Abay Technic respondents are agreed that enterprise is evaluating the progress of employees performance as compared to budget, and provide feedbacks every six months; Belayab Motors respondents are agreed that the company has performance evaluation bases to contribution matrix of each department performance to direct contribution to profitability of the company, the profitability ratio revises and calculated every year; AMCE stops performance evaluation systems by negotiation with labor union as the performance evaluation system carries biasness on evaluators.

Table 4.15 – Practice of promotion and lateral transfer

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company give promotion & lateral transfer to high performing employees at the right time	Belayab Motors	10	13.3	10	13.3	16	21.3	35	46.7	4	5.3
	Abay Technic & Sales	6	18.2	19	57.6	1	3	5	15.2	2	6.1
	Lifan Motors	6	11.8	18	35.3	7	13.7	14	27.5	6	11.8
	AMCE	1	2.2	5	11.1	2	4.4	23	51.1	14	31.1
	Total	23	11.4	52	29.3	26	10.6	77	35.1	26	13.6

Source: Own Survey 2018

Similarly, the company give promotion & lateral transfer to high performing employees at the right time, 23(11.4%) of respondents are strongly disagree, 52(29.3%) of respondents are disagree, 77(35.1%) of respondents are agree and 26(13.6%) of respondents are strongly agree. This show, 103(48.7%) of respondents from survey questionnaire, interview and focused group discussion conforms that there is promotion and lateral transfer at these enterprises due to the growing demand of assembled products in the sector, the sales tracking of these company is increased in current years, and opportunities increase job opportunities for staffs, staffs are in highly competitive with this oligopoly business sector.

Table 4.16 – Practice of demoting staffs

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company demote staffs as punishment for wrong doing and low performances	Belayab Motors	7	9.3	16	21.3	15	20	28	37.3	9	12
	Abay Technic & Sales	6	18.2	19	57.6	1	3	5	15.2	2	6.1
	Lifan Motors	7	13.7	16	31.4	2	3.9	20	39.2	6	11.8
	AMCE	14	31.1	21	46.7	3	6.7	5	11.1	2	4.4
	Total	34	18.1	72	39.3	21	8.4	58	25.7	19	8.6

Source: Own Survey 2018

This is encouraged that, the company demote staffs as punishment for wrong doing and low performances, 34(18.1%) of respondents are strongly disagree, 72(39.3%) of respondents are disagree, 58(25.7%) of respondents are agree and 19(8.6%) of respondents are strongly agree. This show 106(57.4%) of respondents from survey questionnaire, as well respondents from interview and focused group discussion confirmed that there is no trends of demoting staffs as bases to punishment, but there is tendency of prohibiting staffs with low productivity from being promoted.

Table 4.17 – Practice of safety, health and sanitation

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company set and implemented safety, health and sanitation policies accordingly to Ethiopian labor law	Belayab Motors	10	13.3	19	25.3	10	13.3	25	33.3	11	14.7
	Abay Technic & Sales	3	9.1	20	60.6	1	3	8	24.2	1	3
	Lifan Motors	2	3.9	6	11.8	1	2	33	64.7	9	17.6
	AMCE	2	4.4	5	11.1	0	0	25	55.6	13	28.9
	Total	17	7.7	50	27.2	12	4.6	91	44.5	34	16.1

Source: Own Survey 2018

Concerning the company set and implemented safety, health and sanitation policies accordingly to Ethiopian labor law, 17(7.7%) of respondents are strongly disagree, 50(27.2%) of respondents are disagree, 91(44.5%) of respondents are agree and 34(16.1%) of respondents are strongly agree. This show respondents from interview and focused group discussion that the enterprises are implementing safety, health and sanitation policies accordingly to Ethiopian labor law, AMCE has set defined safety, health and sanitation packages that it provides for defined positions with defined period of times, the data of the respondents represents 38(84.5%) of respondents are agree and strongly agrees the company has providing collective agreement bases to labor union to propose draft of rights of safety materials to each positions in consultation of staffs needs, and final agreement is distributed to all staffs as base of collective agreement, it is one of good experience that AMCE exercises.

Belayab Motors and Abay Technic had define the safety and health packages using administration policy, the policy incorporate basic necessity materials, Belayab Motors has difficult purchasing systems in related to employees safety and hazard materials are very and there is late purchase on safety and hazardous materials; and Lifan Motors has good experiences that, the enterprises imports of staff uniform, safety shoes and other hazardous materials which is standardizes to assembling plants, the working place is consists of free inspection areas for testing assembled vehicles and the assembling lines are equipped with standard testing machineries.

The working areas like workshop, stores... should be designed ergonomically to reduce unconformity during work., the company has to provide safe working air conditioning systems at manufacturing lines to improve employee's productivity as the assembling line have contain hot weather conditions.

Table 4.18 – Practice of different incentive packages

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company implements different incentive packages as a reward for outstanding performance	Belayab Motors	12	16	22	29.3	12	16	25	33.3	4	5.3
	Abay Technic & Sales	4	12.1	19	57.6	2	6.1	7	21.2	1	3
	Lifan Motors	1	2	7	13.7	7	13.7	26	51	10	19.6
	AMCE	6	13.3	15	33.3	3	6.7	16	35.6	5	11.1
	Total	23	10.9	63	33.5	24	10.6	74	35.3	20	9.8

Source: Own Survey 2018

It needs better attention that respondents at interview and focused group discussion and respondents from survey questionnaire addressed that the company implements different incentive packages as a reward for outstanding performance, 23(10.9%) of respondents are strongly disagree, 63(33.5%) of respondents are disagree, 74(35.3%) of respondents are agree and 20(9.8%) of respondents are strongly agree.

This show, 36(70.6%) of Lifan Motors respondents measures performance of staffs bases at each month, and incentives are provided based at staffs performance, and performance incentives are given monthly bases; 34(45.3%) of Belayab Motors respondents indicates that there is low incentive package system that covers to all staffs with good performance's as compared to profitability range of the enterprises, there is trends with annual one month gross salary bonus payment proportion to performance and one step salary increments; 23(69.7%) of Abay Technic respondents emphasizes the enterprises not providing incentive packages for their performance and there is no system to increment salary scales.

AMCE, 21(46.7%) of respondents are agreed the enterprise is providing incentive packages with equal payment to all staffs, but there is no performance evaluation system to reward outstanding performers. Lack of composition of highly qualified staffs in the area of related industry experiences, the enterprises have good benefit packages for management members but it is not compatible to staffs for their level of contributions to success of organizational goals.

There is stressed work environment for the last five years service the company's establishment, but the enterprise is not providing equivalent compensation packages for their contributions of staffs. The enterprise provides performance based incentives and salary increments periodically, but it is not compatible with their level of employees productivity and contributions.

Table 4.19 – Practice of employee & labor management

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company has implementing employee and labor management at union level; and assign representative manpower to negotiate over such kinds of staffs issues	Belayab Motors	19	25.3	18	24	11	14.7	20	26.7	7	9.3
	Abay Technic & Sales	9	12.1	18	54.5	2	6.1	3	9.1	1	3
	Lifan Motors	1	2	10	19.6	5	9.8	28	54.9	7	13.7
	AMCE	2	4.4	2	4.4	2	4.4	25	55.6	14	31.1
	Total	31	11.0	48	25.6	20	8.8	76	36.6	29	14.3

Source: Own Survey 2018

Concerning the company has implementing employee and labor management at union level; and assign representative manpower to negotiate over such kinds of staffs issues, 31(11%) of respondents are strongly disagree, 48(25.6%) of respondents are disagree, 76(36.6%) of respondents are agree and 29(14.3%) of respondents are strongly agree. The focused group discussion and interview held at AMCE has good experience of implementing employee and labor management at union level; and assign representative manpower to negotiate over such kinds of staffs issues, 39(86.7%) of respondents are agree and strongly agree, the labor union

exercises its rights very well keeping good environment. Lifan Motors also has implementing employee and labor management at union level, 35(68.6%) of respondents are agree and strongly agree.

Whereas, Belayab Motors and Abay Technic hasn't implementing employee and labor management at union level, 37(49.3%) of Belayab and 27(66.6%) of Abay Technic respondents are disagree and strongly disagree for the existence of labor union. During interview, there was labor union at Abay Technic, during some inconvenience between management and union, the labor union has stopped its exercises. The communication of HRM department should be fair communication be fair and good, have to develop neutral relationship with all staffs, has to manage employee's compliance in line with legal advisors consultation, and has to work on achieving individual interests to manage the strategic goals of the company. There should be respect and good relation within managements and supervisors.

Table 4.20 – Practice of exit management

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company uses exit interview as an input during resignation of staffs	Belayab Motors	15	20	15	20	18	24	23	30.7	4	5.3
	Abay Technic & Sales	8	24.2	19	57.6	1	3	4	12.1	1	3
	Lifan Motors	9	17.6	24	47.1	3	5.9	14	27.5	1	2
	AMCE	10	22.2	22	48.9	5	11.1	6	13.3	2	4.4
	Total	42	21.0	80	43.4	27	11.0	47	20.9	8	3.7
The company discusses issues with staffs during their resignation	Belayab Motors	13	17.3	16	21.3	16	21.3	22	29.3	8	10.7
	Abay Technic & Sales	7	21.2	20	60.6	1	3	3	9.1	2	6.1
	Lifan Motors	8	15.7	26	51	5	9.8	11	21.6	1	2
	AMCE	21	46.7	14	31.1	5	11.1	4	8.9	1	2.2
	Total	49	25.2	76	41.0	27	11.3	40	17.2	12	5.3

Source: Own Survey 2018

Concerning the company uses exit interview as an input during resignation of staffs, 42(21%) of respondents are strongly disagree, 80(43.4%) of respondents are disagree, 47(20.9%) of respondents are agree and 8(3.7%) of respondents are strongly agree. This show, 122(64.4%) of respondents are disagree that enterprises are using exit interview as an input during resignation of staffs, respondents from interview and focused group discussion replies that these enterprises are not exercising the exit interview during resignation of staffs, but in exception of having exit interview for staffs that have good values and recognitions from immediate supervisors. Belayab Motors has exit interview format, but it is not consistently implemented during all resignations.

Regarding the company discusses issues with staffs during their resignation, 49(25.2%) of respondents are strongly disagree, 76(41%) of respondents are disagree, 40(17.2%) of respondents are agree and 12(5.3%) of respondents are strongly agree. This show 125(66.2%) of respondents confirmed that these enterprises are lacks to have inputs from resigned staffs due to low level existence of formal way of discussion with resigned staffs. Respondents from interview and focused group discussion replies the enterprise is unable to take market assessment and do immediately measure action before the experienced (qualified) works resign, fast termination of employee is exists, and there is a factor of giving bad response for employee that enforces staffs to resign from the company. From this reason the enterprises have lost direct opportunities from having discussion with resigned staff.

Table 4.21 – Practice of resigned staffs

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company issues staffs release paper, work certificates and payments before due dates	Belayab Motors	8	10.7	16	21.3	13	17.3	27	36	11	14.7
	Abay Technic & Sales	2	6.1	4	12.1	2	6.1	21	63.6	4	12.1
	Lifan Motors	2	3.9	6	11.8	3	5.9	27	52.9	13	25.5
	AMCE	6	13.3	6	13.3	2	4.4	25	55.6	6	13.3
	Total	18	8.5	32	14.6	20	8.4	100	52.0	34	16.4

Source: Own Survey 2018

Similarly, the company issues staffs release paper, work certificates and payments before due dates, 18(8.5%) of respondents are strongly disagree, 32(14.6%) of respondents are disagree, 100(52%) of respondents are agree and 34(16.4%) of respondents are strongly agree. Results indicates 132(68.4%) of respondents are confirmed the good experiences of the enterprises has issues staffs release paper, work certificates and payments before due dates. From interview session confirms that the enterprises are clear of the Ethiopian Labor Law and provide all necessary issues of resigned staffs after they are completing their clearance paper.

Table 4.22 – Practice of termination

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company gives termination for employees for low productivity, disciplinary issues, and other related employees performance cases	Belayab Motors	4	5.3	10	13.3	20	26.7	33	44	8	10.7
	Abay Technic & Sales	7	21.2	21	63.6	2	6.1	2	6.1	1	3
	Lifan Motors	7	13.7	14	27.5	6	11.8	19	37.3	5	9.8
	AMCE	8	17.8	29	64.4	5	11.1	1	2.2	2	4.4
	Total	26	14.5	74	42.2	33	13.9	55	22.4	16	7.0

Source: Own Survey 2018

Regarding the company gives termination for employees for low productivity, disciplinary issues, and other related employees performance cases, 26(14.5%) of respondents are strongly disagree, 74(42.2%) of respondents are disagree, 55(22.4%) of respondents are agree and 16(7%) of respondents are strongly agree.

This show 37(82.2%) of AMCE respondents and 28(84.8%) of Abay Technic respondents are disagree for the existence of termination bases to productivity these is the results of AMCE has implementing good relations with labor union negotiation with managements; and managements of Abay Technic is not taking immediate actions for most of their failures and staffs are giving chances to improve from their low productivity; 24(47.1%) of Lifan Motors respondents are agrees the company has taken measurement actions for low productivity during promotions and incentives are prohibited for low productivity.

But, there is flexibility of staffs management for method of controlling of staffs presence and there is motivational factors to alert from low productivity; and 41(54.7%) of Belayab Motors respondents are agree the enterprise is taking measurement action for low productivity by during payment of bonus, salary increment, and final warning is taken annual results of low productivity, respondents are indicating upset by the action taken by immediate supervisors.

Table 4.23 – Practice of recall resigned staffs

Human Resource Practice	Enterprises	Strongly Disagree		Disagree		Moderate		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
The company give chance to resigned staffs	Belayab Motors	6	8	11	14.7	12	16	35	46.7	11	14.7
	Abay Technic & Sales	2	6.1	5	15.2	2	6.1	21	63.6	3	9.1
	Lifan Motors	12	23.5	27	52.9	5	9.8	6	11.8	1	2
	AMCE	16	35.6	17	37.8	6	13.3	5	11.1	1	2.2
	Total	36	18.3	60	30.2	25	11.3	67	33.3	16	7.0

Source: Own Survey 2018

Concerning the company give chance to resigned staffs, 36(18.3%) of respondents are strongly disagree, 60(30.2%) of respondents are disagree, 67(33.3%) of respondents are agree and 16(7%) of respondents are strongly agree. This show 46(61.4%) of Belayab Motors and 24(72.7%) of Abay Technic respondents are agree the enterprises are in good condition to recall talents of experienced staffs give chance to resigned staffs; whereas 39(76.4%) of Lifan Motors and 33(73.4%) of AMCE respondents are disagree that the enterprises are not are not giving chance to resigned staffs, this comes the controlling of dissatisfaction on existed staffs.

4.3 Reliability Statistics

Table 4.24 – Reliability Statistics result of Employees Questionnaire

Cronbach's Alpha	N of Items
.782	23

The Cronbach's coefficient alpha was calculated for total 23 items of the questionnaire. The table 4.23 above depicts that the values of Cronach's Alpha is range of .782. This range is considered as high; the result ensures the reliability of each field of the questionnaire, so, based on the test the results are reliable.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study has identified the assessment of human resource practices in Addis Ababa Car Assembling Enterprises. The enterprises are Belayab Motors PLC, Lifan Motors, Abay Technic & Trading S.Co, and AMCE. This last chapter of the thesis summarizes the findings, and results of the thesis concluded with respect to each research questions; and lastly, possible recommendations are forwarded on the basis of the major findings of the study with addressing the basic research questions and specific objectives of the study.

5.2 Summary of Findings

Regarding the findings from the survey of questionnaire, interview and focused groups discussion on assessment of human resource practices in Addis Ababa car assembling enterprises the following findings of summary have been founds and listed as follow

1. Regarding staffing institution with sufficient skilled manpower. There are organizational structures 105(50.8%) of respondents are agreed, but not filled with talented and experience manpower. No segregation of division of labor staff improvement and retention packages.
2. Concerning the company give recruitments service based on Ethiopian labor laws of proclamation no. 377/96 and while, 137(68.9%) of respondents verifies that enterprises are providing equal employment opportunities during selection process.
3. Regarding communicating performance evaluation criteria's to staffs at beginning of the year, and provision of rewards to high performers, 113(56.3%) of respondents are agrees that Belayab Motors implemented annually, Abay Technic taken within six month, Lifan Motors practices it on a monthly bases, whereas, 37(82.3%) of are disagree that there is no performance evaluation system at AMCE. Belayab Motors indicates that performance evaluation used for annual salary increment, for decision making during promotion and transfer, and bonus are given in proportion to staffs performance; Abay Technic uses performance evaluation to calculate performance of the enterprises; Lifan Motors measures performance of its staff monthly, whereas, AMCE gives uniform amount of financial incentives for all staffs across the board.

4. Regarding periodical performance evaluation of employees, 40(78.4%) of Lifan Motors respondents agrees that evaluated its performance on a monthly bases; 27(81.8%) of Abay Technic respondents agrees the enterprise is evaluating the progress of employees performance once in every six months; 37(49.3%) of Belayab Motors respondents shows that has contribution matrix of each department performance to direct contribution to profitability of the company; whereas, 42(93.3%) of AMCE respondents disagree that has not implementing performance measurement systems. Concerning employee's motivations, Lifan Motors motivate employees by providing monthly incentives, Belayab Motors motivate employees by providing promotion, job upgrading, but there is no motivation at AMCE and Abay Technic. About the enterprises periodical human resource management planning, success plan and administrative policies, it is not yet communicated to staffs.
5. Concerning the company has training & development plan & budgets for each years, 40(53.3%) of Belayab Motors, 23(45.1%) of Lifan Motors and 27(60%) of AMCE respondents are verifying for giving training and developments; whereas, 26(78.9%) of Abay Technic respondents indicates there is not providing training and development services. Lifan motors provide training bases to new line assembling of different model cars and on job training given by Chinese expertises. AMCE provide training to staffs during assembling and import of different model of cars; and Italians are coming to brief new features of truck model IVECO with on job briefing, training, and on site experiences in Italy; and Belayab Motors gave training at assembling and after-sales maintenance at foreign country of China, Korea, and Europe.
6. Concerning periodical revision of companies salary scales, and different human resource incentive packages in 86(43.3%) of respondents are disagree, with exceptional of Belayab Motors and Lifan Motors salary scale increments are given at the end of each year based on merits; whereas, at AMCE salary scale increment is given to all employees across the board as there isn't yearly performance based evaluation systems. At Abay Technic there is no binding policy to increase and revise salary scale. Belayab Motors, Abay Technic and Lifan Motors have employment database at Ms-Excel sheet and hardcopy. Personal filing systems are implemented for providing staffs issues; whereas, AMCE has implementing payroll based software's and attendance bases punching system of software's. From the sector of automotive businesses the level of periodical revision is not compatible with the development of the enterprises.

7. These enterprises have promotion & lateral transfer to high performing employees, 103(48.7%) of respondents proves that there is promotion and lateral transfer at these enterprises due to the growing demand of assembled products in the sector, the sales tracking of these companies is increased in current years, and this leads to employment opportunities for staff's members, how even. There is no a tradition of demotions and terminations of employees with low performances.
8. About the implementation of safety, health and sanitation policies accordingly to Ethiopian labor law, 125(60.6%) of respondents proved that these enterprises are have follow for the requirements of labor laws; from which AMCE respondents proves that the enterprise has set and implement defined safety, health and sanitation packages that is included with collective agreement with proposed by labor union; Belayab Motors respondents are agreed that had define the safety and health packages using administration policy, the policy incorporate basic necessity materials; and Lifan Motors has experiences of imports staff uniform, safety shoes and other hazardous materials which is standardizes to assembling plants.
9. Concerning the company has implementing employee and labor management at union level; and assign representative manpower to negotiate over such kinds of staffs issues, 39(86.7%) of AMCE and 35(68.6%) of Lifan Motors respondents agrees that has good experience of implementing policies of employee and labor management at union level; whereas, 37(49.3%) of Belayab Motors and 27(66.6%) of Abay Technic respondent disagrees that not implemented employee and labor management at union level.
10. These enterprises are not exercising the exit interview during staff's resignation, which 122(64.4%) of respondents are agreed, but having exit interview would have an added value to get feedback for future improvements of the enterprise.
11. Regarding low productive staffs, 100(56.7%) of respondents are agrees that there is no trends to demote staffs, AMCE has implementing good relations with labor union negotiation with managements; managements of Abay Technic is not taking immediate actions for most of their failures and staffs are giving chances to improve from their low productivity; Lifan Motors and Belayab Motors are taking immediate action for low productivity during the payment of bonus, salary increment, followed by providing warning to those with low productivity.

12. The enterprises used to issue staffs release paper, work certificates and payments before due dates. This indicates, 134(68.4%) of respondents agrees enterprises are clear of the Ethiopian Labor Law and provide all necessary issues of resigned staffs after they are completing their clearance paper.
13. Concerning recalling of talented resigned experienced staffs 46(61.4%) of Belayab Motors and 24(72.7%) of Abay Technic respondents proves that have good reputation to recall talents of experienced staffs; whereas, 39(76.4%) of Lifan Motors and 33(73.4%) of AMCE enterprises are not practicing. This kind of flexibility to experienced employees, and these would have positive effect on the acquisition of experienced resigned staffs.

5.3 Conclusion

The purpose of this study was to assess human resource practices in Addis Ababa car assembling enterprises. As revealed in the study, each of enterprises has different level of human resource practices. Starting from the objective of this thesis, the following conclusions are forwards by defining and referring author justifications to address basic research questions.

Concerning are there human resource practice have being implemented in car assembling enterprises Reinhard M., Markus K., Anja M., and Mike G. (2015) stated that HR model at many companies particularly established ones that have been in business for a long time, is increasingly outdated and insufficient to help them navigate the current environment; ad HR still functions in its traditional role as a service provider that focuses on transactions, rather than as a true partner to the business units. Accordingly to above authors says, this study have found the following conclusions

- Enterprises have organizational structures and equal employment opportunities during selection process, but not filled with talented and experience manpower and there is no segregation of division of labor staff improvement and retention packages.
- Enterprises have performance evaluation practices with annually bases at Belayab Motors, within six month at Abay Technic, on a monthly bases at Lifan Motors & but not yet practiced at AMCE. Enterprises have practice of annual salary scale increment, bonus and incentive rewards exceptional to Abay Technic.
- Enterprises have practice of training & development has practiced except to Abay Technic. AMCE, Lifan and Belayab Motors practices training during new line assembling with on job briefing, training, and on site experiences locally and abroad.

- Enterprises have similar trends of practicing promotion & lateral transfer to high performing employees, but there is no trend of demotions and terminations of employees with low performances.
- Enterprises have practice of safety, health and sanitation policies accordingly to Ethiopian labor law, AMCE has set and implement defined packages with collective agreement proposed by labor union; Belayab Motors & Abay has define packages stated in administration policy that incorporate basic necessity materials; and Lifan Motors imports staff uniform, safety shoes and other hazardous materials standardizes to assembling plants.
- Enterprises have practices employee and labor management at union level and assign representative manpower to negotiate over such kinds of staffs issues exceptional to Belayab Motors and Abay Technic.
- Enterprises have issues staffs release paper, work certificates and payments before due dates, but not practicing the exit interview during staff's resignation. There is practical trends of recalling talented resigned experienced staffs exceptionals to AMCE and Lifan Motors.

Regarding these enterprises are fully implemented HRM functions in car assembling enterprises Cathrine Byremo (2015) stated that Human Resource Management (HRM) has increasingly become a strategic contributor that, in principle, could add significant value to the organizations and there are the increasing trends of extensive involvement of the HRM function in the organizational strategic planning. According to this study have found the following summary of conclusions

- About full implementation of HRM functions there are exceptional of implementation that 42(93.3%) of AMCE respondents have not implementing periodical review of staffs performance, 22(54.5%) of respondents are agrees there is lack of incentive packages in merit bases at Abay Technic, and there is lack of labor management relation to negotiate at trade union level verified by 37(49.3%) respondents of Belayab Motors and 27(66.6%) respondents of Abay Technic enterprises; 109(58.7%) of respondents of shows these enterprises have not providing of consistently need based training and development to cope-up with the current state of car assembly successes,.

5.4 Recommendations

From the above summary of findings the following recommendations concerning giving remedies for the significant challenges observed on human resource practices Fida Afiouni, 2009 stated that HRM department has to play a strategic role in designing and implementing HR policies, systems, practices that will develop firm's human capital and boost performance. Accordingly to above authors says, this study have found the following recommendations:-

- The practice of human resource management functions in automotive assembling enterprises have to be fairly practiced and job descriptions for each staff should be communicated at the time of employment, enterprises expectations and merit based rewards need to be clearly understood and practiced by the management and stakeholders of the enterprises.
- The car assembling enterprises have to practice periodical review of HRM functions which bases to evaluate the performance of each employee towards career development paths of individuals and establish standard of human resource plans with continuous assessment of improvements. Best practices should be combined different methods of incentive packages, frequent review of salary scale, and creation of good working environments.
- The enterprises have to implement employee and labor management agreement at trade union level; as well assign representative to negotiate over such kinds of staffs issues, distribute collective agreements have to all staff members with the necessary list of expected duties and responsibilities towards the achievement of organizational goals.
- The enterprises have to establish good talent acquisition; retention and exit management's strategies and develop staff capabilities through training and development as well as experience sharing and education program.

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Appendix I –
Survey Questionnaire for
Staffs of the Enterprises



Addis Ababa Science and Technology University
College of Natural and Social Science

Dear Respondents,

The purpose of this questionnaire is to gather information on assessment of human resource practices in Addis Ababa car assembling enterprises in partial fulfillment of the requirements for the degree of masters in industrial management at Addis Ababa Science and Technology University. Your genuine responses have an added value to the success of this thesis. The information is only used for academic purposes and will be kept confidential. Should there be any harm on respondents due to their participations the researcher will be liable.

Sincerely
Abel Legesse
0913534811
alabel8@gmail.com

Instruction

- For each questions which are provided with alternatives use only one Tick Mark (✓)
- For questions that are not provided with alternatives you are requested to write your answer on the space provided.

Part One - Demographic Characteristic of Respondents

1. Sex Male ☐ Female ☐
2. Age Range From 18-30 ☐ From 41-50 ☐
 From 31-40 ☐ From 51-60 ☐
3. Job Position _____
4. Educational Background
 Degree & Above ☐ Diploma ☐
 Certificate ☐ Academic ☐
5. Service Year in Current Company _____

Part Two - Survey questions for respondents to rate their scales to listed questions

Rating Scale Represents for number of

Strongly Disagree=1, Disagree=2, Neutral=3, Agree=4 and Strongly Agree=5

S. No.	Human Resource Practices	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree
		1	2	3	4	5
Human Resource Practices						
1.	The practice of utilization of human talents in car assembling have brought sustainable (long term) development in Ethiopia					
2.	The car assembling company uses skilled manpower of other assembling companies					
3.	The company uses human resource management policies as a guide to address issues of employees					
4.	The company has implementing periodical human resource management planning					
5.	The company has implementing database management to effective monitoring of human resource					
6.	The company revises the salary scales, and different human resource packages periodically					
Talent Acquisition						
7.	The company provides equal employment opportunities during selection process; advertises publicly, and select candidates with assigned committees					
8.	The company give recruitments service based on Ethiopian labor laws					
9.	The company respects the dignity, religions, ethnicity, beliefs and values of the staffs					

S. No.	Human Resource Practices	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree
		1	2	3	4	5
10.	The company provides detail induction programs for staffs; using training and other capacity development schemes					
Talent Retention						
11.	The company has training & development plan & budgets for each budget years					
12.	The company gives need based training & developments for staffs					
13.	The company has performance evaluation criteria's which is communicated to each staffs at beginning of the year					
14.	The company regularly conducts performance evaluations of staffs; & give rewards according to merit					
15.	The company give promotion & lateral transfer to high performing employees at the right time					
16.	The company demote staffs as punishment for wrong doing and low performances					
17.	The company set and implemented safety, health and sanitation policies accordingly to Ethiopian labor law					
18.	The company implements different incentive packages as a reward for outstanding performance					
19.	The company has implementing employee and labor management at union level; and assign representative manpower to negotiate over such kinds of staffs issues					
Talent Exit Management						
20.	The company uses exit interview as an input during resignation of staffs					
21.	The company discusses issues with staffs during their resignation					
22.	The company issues staffs release paper, work certificates and payments before due dates					
23.	The company gives termination for employees for low productivity, disciplinary issues, and other related employees performance cases					
24.	The company give chance to resigned staffs					

Can you list down any additional challenges that can affect the practice of human resource?

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

What improved idea or system can you recommend to reduce most encountered challenges?

Appendix II –
Interview Questions for
Managements and HR Teams
Of the Enterprises



Addis Ababa Science and Technology University
College of Natural and Social Science

Dear Respondents,

The purpose of this interview is to gather information on assessment of human resource practice in Addis Ababa car assembling enterprises in partial fulfillment of the requirements for the degree of masters in industrial management at Addis Ababa Science and Technology University. Your genuine responses have an added value to the success of this thesis. The information is only used for academic purposes and will be kept confidential. Should there be any harm on respondents due to their participations the researcher will be liable.

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Abel Legesse
0913534811
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Part Three - Interview Questions

Position _____ Service Year _____

Number of Human Resource Officers _____ and Managers _____

Number of Total Staffs _____

1. Do you have HRM policy in your enterprises? If your answer is yes, how far are you implementing practically?

2. How well does your organization structured and staffed to meet the demands of employees and the enterprises?

3. Are motivational factors in place to encourage employees productivity and retention?

4. Can you mention significant challenges to practice human resource in the enterprises?

5. What mechanisms you are practicing to solve challenges of human resource in the enterprises?

6. Any suggestion or recommendation you may have?

Appendix III –
Focus group discussion on
Document Review



Addis Ababa Science and Technology University
College of Natural and Social Science

Dear Respondents,

The purpose of this focus group discussion is to gather information on assessment of human resource practice in Addis Ababa in partial fulfillment of the requirements for the degree of masters in industrial management at Addis Ababa Science and Technology University. Your genuine responses have an added value to the success of this thesis. The information is only used for academic purposes and will be kept confidential. Should there be any harm on respondents due to their participations the researcher will be liable.

Sincerely
Abel Legesse
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Part Four- Focused Group questions for specific group of respondents

1) What do you know about HR Function and HRM policy? And Ethiopian Labor Law?

2) Do you know the practice of HRM functions?

3) Do you think the enterprise is good place for employees growth and development?

4) How do you understand and evaluate the HRM teams in terms of their skills and capabilities to struggle challenges that hinder the success of organization?

5) What mechanisms can you forward to overcome the challenges of practice of human resource?

6) Is there anything to add?
